

PEOPLE

Michener, Wife to Go Art Collection Auction

The West German government paid \$1.98 million...

When Raymond Chandler's 1959, he left four chapters...

The Beaujolais nouveau again. The typically wine from southern France...

PPING THE DIPLOMAT

LEGAL SENT

EDUCATION

MEDICAL

ERVICES

The Global Newspaper Edited and Published in Paris

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Table with exchange rates for various countries like Algeria, Australia, Bahrain, etc.

Dollar Resists Pressure

New Purchases by Central Banks Overcome Sellers

Compiled by Our Staff From Dispatches NEW YORK — Determined dollar sellers engaged in a tug-of-war with central banks Friday...

up efforts to calm markets, central banks piled in to underpin the dollar. Some sources put their purchases Thursday and Friday at as much as \$3 billion.

Several economists said bearish sentiment prevailed. "The market hasn't really been frightened by the intervention," said David Redding...

Kiosk

Bomb Hurts 5 Near Aeroflot

GENEVA (AP) — A bomb exploded Friday outside the building housing the Geneva office of the Soviet airline Aeroflot, wounding five persons, officials said.



Chun Doo Hwan, under attack for alleged involvement in corruption when he was president of South Korea, is reported to be ready to repent.

General News

70,000 ethnic Albanians marched in Yugoslavia in anti-Serbian protests. Page 2.

Sports

The black market in steroids is booming, and athletes may account for only 11 percent of all users. Page 21.

Business/Finance

Britain's inflation rate bulged to 6.4 percent in October, the highest level in more than three years. Page 9.



Mr. Bush, meeting with governors Thursday in Charlottesville, Virginia, said he would quickly name key economic officials.

U.S.-Canadian Trade Pact: High Stakes

By Robert Pear New York Times Service

WASHINGTON — A Canadian rejection of the free-trade agreement with the United States would derail years of efforts by Washington and Ottawa to achieve much closer economic and political cooperation...

for the agreement in a speech on Thursday, and other American officials said they were distressed to see the growth of Canadian opposition to the pact, which would eliminate virtually all tariffs between the two countries over 10 years.

of the agreement and rescued it when negotiations nearly collapsed earlier this year. Advocates of the United States-Canada pact say it is all the more important for the North American neighbors to cooperate because they might be locked out of a protectionist "fortress Europe."

The United States and Canada See CANADA, Page 5

Soviets Back Declaration Of a Palestinian State

By David Remnick Washington Post Service

MOSCOW — The Soviet Union on Friday endorsed the Palestine National Council's proclamation of an independent Palestinian state in the Israeli-occupied West Bank and Gaza Strip, but it was unclear if Moscow was offering full diplomatic relations.



Abu Musa, a radical Palestinian guerrilla leader, speaking to reporters Friday in West Beirut. He denounced Yasser Arafat, chairman of the Palestine Liberation Organization, for implicitly recognizing Israel and urged election of a new PLO leadership.

The "balance" of the Soviet statement, analysts said, is apparently intended to avoid alienating either Israel, which has rejected the PNC action, or the Arab and Islamic states that have given outright recognition to a Palestinian state.

South Africa Finds 4 Guilty of Treason

By William Claiborne Washington Post Service

PRETORIA — In a series of verdicts likely to define for years ahead the limits of protests against apartheid, a provincial court on Friday convicted four prominent black activists of treason with intent to overthrow the government of South Africa.

They also may determine whether the United Democratic Front, South Africa's largest anti-apartheid coalition, will be outlawed like its ally, the African National Congress, on charges of having plotted to overthrow the government.

Chinese and Soviets Cooperate on Far East Flights

By Michael Richardson International Herald Tribune

SINGAPORE — China and the Soviet Union, in another sign of warming relations, are cooperating with international civil aviation bodies to open faster, nonstop air routes between the Far East and Europe, officials involved in the negotiations say.

Far East and Europe and should improve air safety, the sources added. Chinese and Soviet aviation officials discussed the proposed routes in Bangkok in July at a meeting arranged by the International Civil Aviation Organization, a United Nations agency.

In a separate interview by telephone in Bangkok, Hans Fugh-Svendsen, regional technical director of the Asia-Pacific office of the International Air Transport Association, said several technical problems still had to be solved.

More than 170 airlines, including most of the major international carriers, are members. See FLIGHT, Page 5

Delay on Sovereignty Vote Provokes Cry of 'Treason' From Lithuanians

By Esther B. Fein New York Times Service

MOSCOW — Heeding a plea by its Communist Party leader to pursue the aim of sovereignty with patience, the legislature of the Baltic republic of Lithuania decided Friday not to declare its laws supreme over Soviet law.

electoral reform, but postponing a vote on whether to accept proposed changes to the Soviet Constitution that have been criticized within the Baltics for concentrating too much power in Moscow.

In a statement Thursday, the President refrained from directly criticizing the Estonian action, but emphasized that it was at odds with the Soviet Constitution. The President said it would invite representatives of Estonia to Moscow discuss the issue.

Mr. Raute's trip to Moscow had been a planned earlier as part of a meeting of officials from all 15 republics with Prime Minister Nikolai I. Ryzhkov to discuss plans to transfer the republics to a system of self-management and self-financing. But the constitutional conflict prompted by the Estonian vote precipitated a meeting with members of the Presidium.

No Comment From U.S.

In Washington, the State Department spokesman, Charles E. Redman, declined to comment directly on the amendment adopted by Estonian legislators requiring their ratification of new Soviet laws. The Associated Press reported.

Can't Find Car? Test Concludes Female Hormone May Be the Culprit

By Sandra Blakeslee New York Times Service

TORONTO — Two Canadian psychologists have demonstrated for the first time that there is a relationship between monthly fluctuations in female sex hormones and a woman's ability to perform certain tasks.

influence on the organization of the brain and behavior. Similar tests have not been performed on men. The studies were conducted by Dr. Doreen Kimura, a psychology professor at the University of Western Ontario in London, Ontario, along with a graduate student, Elizabeth Hampson. The researchers presented their results at a symposium on Wednesday at the annual meeting of the Society for Neuroscience in Toronto.

Dr. Bruce McEwen, an expert on the brain and sex hormones at the Rockefeller University in New York. "Finally there are systematic studies on sex hormones and human behavior other than reproduction." But Marilyn Fitterman, president of the New York chapter of the National Organization for Women, expressed concern that the findings could be misused. "This could fall into the category of 'why can't a woman be president,'" she said, adding that other factors, such as the circadian rhythms associated with the Earth's rotation. See HORMONE, Page 5

Gandhi Welcomes Gorbachev to India

Prime Minister Rajiv Gandhi of India escorting Mikhail S. Gorbachev during welcoming ceremonies Friday as the Soviet leader began a three-day visit. Mr. Gorbachev promised to maintain warm relations with India despite "comments and speculations" to the contrary. His statement followed concerns expressed in the Indian press that warmer Soviet-Chinese relations could affect Moscow's ties with India. India and China have a longstanding border dispute.

Among those convicted of treason Friday were three high UDF officials, Patrick Lekota, the group's publicity secretary; Popo Molefe, its national secretary; and Moss Chikane, its Transvaal Province secretary. Also convicted of treason was the Reverend Thomas Mantsaha, an activist in the Sharpeville area southwest of Johannesburg, where the first civil unrest erupted in 1984 before it spread throughout the country. Among those attending the final day of the four-day reading of the 1,521-page written verdict was Helen Suzman, the long-serving white member of parliament from the liberal opposition Progressive Federal Party. She said of the verdict: "It does narrow the margin between what is lawful dissent and what is considered treason." Before being led away by court officers, Mr. Chikane said, "We have to be strong. Apartheid has entrenched itself. The roots are too deep. We knew that nonviolence would be interpreted this way." Defense attorneys said they would begin preparing their arguments for mitigation of sentencing, which will start Dec. 5. The three UDF officials have been in jail without bail since before the trial began more than three years ago. The secretary general of the South African Council of Churches, the Reverend Frank Chikane, who is not related to Moss Chikane, said the target of See TREASON, Page 5

Table with market data including Dow Jones, The Dollar, and other financial indicators.

AMERICAN TOPICS

Cloning May Bring Perfect Yule Trees

Cloning of Christmas trees by the millions may be the answer to heavy competition from plastic trees...

- The Flawless Christmas Tree
- Straight trunk
- Thick two-inch needles
- Limbs angle upward at 45 degrees
- Uniform conical shape
- Tapers upward at 35-45 degrees



University of Delaware. Interrupted by World War II, it was revived by Martha B. Lucas...

Short Takes

Sweet Briar College in Virginia is observing the 40th anniversary of the postwar Junior Year in France program...

Current military contractor frauds have spawned the Defense Litigation Reporter. For \$654 a year...

Pentagon Gives Reagan Final Options List for Disputed Soviet Radar

By R. Jeffrey Smith
WASHINGTON — The Defense Department has given President Ronald Reagan a final report on military options...

A bronze bust of the late actor James Dean has been put up at the Griffith Observatory in Los Angeles...

At an indoor ice-skating rink in Englewood, New Jersey, Karen Sadock, a New York Times reader, overheard this conversation...

Arthur Higbee

'Forgotten' American Youth Millions Lacking College Slip Into 'Economic Limbo'

By Spencer Rich
WASHINGTON — The "forgotten half" of American youth — 20 million persons aged 16 to 24 who will never go to college — is rapidly falling into an "economic limbo" that threatens to undermine U.S. productivity and living standards...

next 10 years to enlarge Head Start, the Job Training Partnership Act, the Job Corps and the Chapter 1 program to provide remedial education for disadvantaged children.

'Amos 'n' Andy' Comment Regretted by Congressman

WASHINGTON — Robert H. Michel, the House Republican leader, has apologized for nostalgic remarks about minstrel shows and the "Amos 'n' Andy" radio program...

for my remarks. My regret is even more profound because I believe my public record of over 32 years as a congressman is without the slightest blot of bigotry or racial insensitivity.

Quayle Vacancy Won't Go to Wife

WASHINGTON — Marilyn Quayle said Friday that she was not interested in the Senate seat from Indiana being vacated by her husband, Vice President-elect Dan Quayle.

There had been speculation that Mrs. Quayle, a political conservative, might be named to the seat.

U.S. Warning on Aspirin

WASHINGTON — The Food and Drug Administration has proposed requiring labels for aspirin that would warn pregnant women against taking the pain reliever during the last three months of pregnancy...

Make Israel Pay Tariffs, Groups Tell U.S.

By Stuart Auerbach
WASHINGTON — Reagan administration trade officials have heard arguments from Arab-American organizations that Israel's treatment of Palestinian workers in the occupied West Bank warrants that Israeli products should lose duty-free entry into the United States.

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Advertisement for the International Herald Tribune featuring a large image of a telephone receiver and a coupon for subscription information.

Suddenly, Italians Discover Pollution

By Roberto Suro
MANIFREDONIA, Italy — In response to a series of environmental emergencies, angry and sometimes violent crowds have taken to the streets of several Italian cities recently to express what they call "the rage of the poisoned."

ing the maximum economic growth possible in the minimum amount of time.
"Meanwhile," he added, "environmental problems have built up along with popular dissatisfaction and now both are exploding."

Some champions of the environment worry that the burst of interest is temporary.

urgencies to deal with structural problems.
His greatest success so far came after disclosures last summer that Italian companies were paying Third World nations to accept toxic wastes that were left untreated in dangerous dumps.

Advertisement for International Classified featuring a grid of escort and guide services from various cities like London, Paris, and New York.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

On the Empire's Edge

Presumably Mikhail Gorbachev did not become the Kremlin's first minister in order to preside over the dissolution of the Soviet empire. Still, that vast domain, in which a succession of independent countries was brought under Soviet influence or annexed outright, is facing some difficult tests now.

The Soviet Union, the temptation is not only to keep power centralized but to break the real local resistance to reform by administering reform from the top down. Andrei Sakharov is among those who have been warning of the anti-democratic character of this tendency.

Cheers for the Pakistanis

The first free vote in more than a decade has to be sweet for Pakistanis, and especially for Benazir Bhutto, the leader of the party that led all others by a wide margin.

General Mohammed Zia-ul-Haq overthrew him and later ordered his execution. The general was killed during the summer in a plane crash still unexplained.

Guns Do Kill People

"Guns don't kill people; people kill people." That is a favorite argument of the gun lobby. But a new study gives reason to disagree. The study, published last week in The New England Journal of Medicine, examined gun and crime records in Seattle and Vancouver, British Columbia.

In fact, the gun crimes appeared to account almost entirely for Seattle's higher rates of aggravated assaults and homicides.

Other Comment

A Palestinian Breakthrough

With the acceptance of United Nations Resolution 242 the PLO has now stepped out of the world of fantasy and into the world of practical politics. It has not gone as far as it should have done.

aged most other members to simply forget the group's commitments, thereby gutting the market and forcing oil prices down to the present range of \$12-\$13, much below the group's \$18 reference price.

Last Chance for OPEC

The OPEC ministerial talks beginning in Vienna on Monday are the last chance for the organization to restore its credibility and influence in the oil market.

Should she now succeed in forming a viable government, she faces a task which is by any standards mightier. If and when Miss Bhutto becomes prime minister, she will need all the support the West can give if she is to preserve her country from the forces that have dogged its turbulent history.

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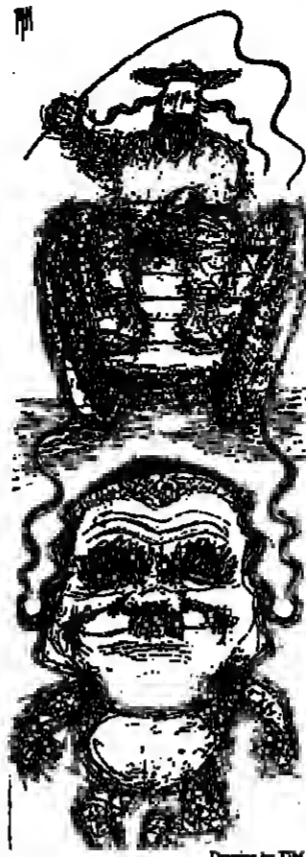
OPINION

How Likud and Labor Can Save the Center

By William Safire

CHICAGO — Many Jewish Americans — including most of Israel's strongest long-time supporters — are disturbed by the way a cabal of Orthodox politico-rabbis in Israel is making a grab for ecclesiastical exclusivity.

2. Desperate to cling in office despite the voters' rejection, Mr. Peres offered the religious parties not only cabinet posts but more rigid to paralyse him to give them the right to decide which conversions count — for many, in effect, "who is a Jew."



Move back two steps and examine another scenario. 5. Mr. Shamir, able to form a Labor government, offers Labor a deal: If you agree to being junior partner — with your tough Yitzhak Rabin in a key post, and your loose-cannon Peres out in the cold — then together we can reform the political system to make it more difficult for splinter parties to be kingmakers.

6. At Mr. Rabin's urging, and with the support of Jews from Jerusalem to Jamaica, Labor would accept that Likud offer. Thus the threshold of electoral success would be raised, the democratic majority would rule, and the presumptive rabbinic cabal would be foisted with finality.

Canadians Will Pay Either Way

By William Pfaff

PARIS — The Canadian election on Monday will be the most important in the country's recent history. The major issue that underpins party differences is whether Canada should ratify the free trade agreement that has been reached with the United States.

The PLO's Message Is Still of Cynical Rejectionism

By A. M. Rosenthal

NEW YORK — I hereby declare that I am the rightful owner of the house in which you live. I have created a new corporation to take it over. Take notice that I intend to establish the headquarters in your living room.

er renouncing or even changing the PLO Charter, which calls for war to the death against Israel.

create: See, we are now willing to consider someday maybe perhaps recognizing Israeli existence, so now you can deal with us.

Thatcher on the Cusp: She's No Ordinary Mortal

By Jim Hoagland

WASHINGTON — What makes Maggie run? That is, what continues to drive the Right Honorable Margaret Hilda Thatcher, MP for Finchley, British prime minister for nearly a decade and now on the cusp of becoming the British monarch's consort?

able striving born in Britain's rigid class system. They give Mrs. Thatcher a force and lucidity that continue to burn brightly after a decade in power.

With Ronald Reagan stepping down, it is a technique that will increasingly determine the shape of East-West relations.

Mr. Terrific Has Some Answering to Do

By Richard Cohen

WASHINGTON — "Tell me, Mr. Baker, did you know that your campaign commercial about the Boston Harbor misrepresented the situation?"

of the Democratic National Convention in July. But the negative advertising strategy had been set in May by, among others, Mr. Baker.

But what of a man who directed a campaign that many considered snappy and which may have changed the tone of presidential campaigns forever? What does this say of him? Why is it presumed that someone who waged that sort of campaign would not have learned a lesson: What worked in the campaign could work in government. Why do we think that a man who ran a campaign as Caesar, will upon taking office become Caesar's wife?

Are we to forget the campaign Baker ran?

mance and can hardly wait until the last Reagan ideology is either out of town or barricaded in the American Enterprise Institute. He was a valuable and important White House aide, an island of rationality in a churning sea of far-right ideology.

What if I were in the Senate, I suppose I would vote to confirm Mr. Baker. But I would like to ask him whether he is going to do in government what he did in the campaign. I would like to know exactly what he thinks of truth, whether it is an obligation the government owes the governed or whether its use depends on its political utility.

Washington Post Writers Group.

100, 75 AND 50 YEARS AGO

1888: The Glorious Tub

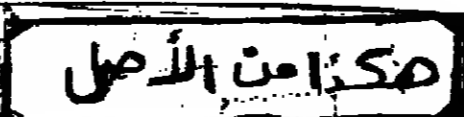
PARIS — Decidedly the French race is rapidly becoming imbued with the Anglo-Saxon character.

1913: Huerta on War

MEXICO CITY — Two Americans here, whose names cannot be used, have interviewed General Huerta, asking about the safety of Americans in Mexico in the event of intervention.

1938: Cherry Tree Fray

WASHINGTON — One hundred shrieking women, infuriated at the removal of a number of Japanese cherry trees to make way for a Thomas Jefferson memorial, charged a gang of W.P.A. workers and after a thirty-minute battle emerged triumphant bearing aloft the workers' picks and shovels.



ARTS / LEISURE

Wind of Change in Art Market

NEW YORK — The wind is turning in the art market. The eagerness to buy is still intense but the limits beyond which art buyers refuse to be dragged by vendors hoping to make a killing have been made apparent in three sales of Impressionist and Modern Masters.

Souren Melikian

too high, betraying a dangerous tendency to overestimate the works offered for sale. As a pastel portrait by Mary Cassatt, 'Clarrissa, turned left, with her hand to her ear,' became the first casualty at \$475,000, a European dealer sneered: 'These people anticipate the rise they hope each picture will make from one sale to the next.'

\$8.5 million. The vendor, who got it at Sotheby's for \$1,650,000 in November 1985, made a substantial profit. But the whole performance did not enhance the prestige of the auction house.

That the failures had little to do with the stock market's weakness or any lack of liquidity was demonstrated on Monday in Christie's evening sale. It took less than an hour for 28 Impressionist and Modern Works of Art from the collection of William and Edith Mayer Goetz to sell without one hitch for \$85 million. Christopher Burge, president of Christie's America, who was taking the sale, was at the top of his form. He must have been buoyed by the awareness that the pictures, rare in today's market, were made yet more desirable by their whiff of history.



Picasso's 'Maternité', which was sold for \$24.7 million.

Early on in the sale, one of the most beautiful flower still-lives by a woman artist set one at \$3,080,000. Minutes later another record was established for a picture in Cézanne's early Impressionist manner, long spurned by connoisseurs. 'Dans la Vallée de l'Oise,' done in 1873-74, soared in an astonishing \$5,060,000. The combination of the Goetz provenance, the numerous art books in which it is discussed and, not least, the current show of Cézanne's early work at the Musée d'Orsay in Paris, proved irresistible.

Canadian Will Pay Either Way

'Modern' In Berlin: A Fitting Finale

By William P. ...

PARIS — The Canadian party differences in the country should have been reached weeks ago.

By David Galloway

BERLIN — For nearly two years Berlin has flexed its civic and cultural muscles — first, in celebration of its 750th birthday, then as European Cultural Capital for 1988.



Reconstruction of the First International Dada Fair, held in Berlin in 1920.

crooked space in which the Dadaists composed their protest. The walls overflow with images, slogans, photographs and collages, while absurdist assemblages dangle from the ceiling.

even though many were revived or ignored in their own time. Each of the 20 "stations" in the Berlin itinerary reveals a bonding of political, social and aesthetic forces that were shaping the visual arts.

now seems curiously, quaintly old-fashioned. Of the nine postwar shows documented in Berlin, only one still radiates its legendary power.

After such costly parties, a collective sigh of relief and delight has greeted the finale to Berlin's two-year cultural fête. But by any terms and in any context, 'Stations of the Modern' is a curatorial triumph. It moves with streamlined grandeur through 20 historic German exhibitions, starting with the Brücke show of 1910 and ending with a recreation of Gary Schomm's pioneering 'Video Gallery' of 1969.

Prior to the Berlin show, the Dadaists had staged a combination happening and exhibition (promptly closed by the police) in a Cologne brewery. The influential Brücke group made their first joint presentation (even earlier than the show documented in Berlin) in a lighting showroom in a Dresden suburb.

inevitably, many of the postwar "stations of the modern" seem policy. In the decentralized Federal Republic, the role of capitals like Berlin and Munich is no longer so dominant. Information flows with increasing rapidity, and art-watchers are not so easily shocked or surprised.

There are studies and disputes enough about the building of museums. Temporary presentation forms have had little attention. With its documentary recreations, Berlin gives at least a nudge in the right direction.

The Pastoral Landscape

By John Russell

WASHINGTON — Secreted among the thunderous exhibitions in the National Gallery of Art in Washington, there is one that deserves our tender attention on two quite separate counts.

rather more than half-size copy of it that was made in the Louvre more than 150 years ago by William Etty. Rich, hot and ripe, it makes an arresting effect at the Phillips.

Phillips show picks up both weight and substance when it arrives at Cézanne, Bonnard and Matisse. (Henri Rousseau's 'Happy Quartet' is a delicious after-echo — undoubtedly unintended — of Venetian Arcadia).

Stations of the Modern, Martin-Gropius-Bau (Stressemann Str. 110), West Berlin, to Jan. 8. David Galloway is a writer and professor based in West Germany.

INTERNATIONAL ART EXHIBITIONS. PARIS. GALERIE CHARDIN. 36, rue de Seine 75006 PARIS. Tel: (1) 42 36 99 38. JAMES F. MUELLER. Until December 3rd. PARIS. WALLY FINDLAY. New York - Chicago - Palm Beach - Paris. 48, av. Montaigne, 75008 Paris. Tel: (1) 42.25.70.74. GALERIE MARION MEYER. 15, Rue Guénégaud, 75006 Paris. Tel: 46 33 04 38. MARCEL DUCHAMP - MAN RAY. Exhibition November 26th to December 26th.

MASTER WORKS IMPRESSIONIST AND MODERN. November 10th - December 24th. daniel malingue. 26, Avenue Maignon 75008 Paris-Tel: 42.66.60.33.

COLNAGHI. GOTHIC TO RENAISSANCE. European Painting 1300-1600. November 23-January 28, 1989. Fully illustrated color catalog \$35. 21 East 67th St. New York, NY 10021. Tel: 212-772 2266.

ART EXHIBITIONS ANTIQUES AUCTION SALES COLLECTOR'S GUIDE. LONDON. An Exhibition of Two Scottish Colourists: Peppoe and Cadell. 24 November - 16 December. Monday-Friday 10 a.m. - 5 p.m. The Lefevre Gallery. 30 Bruton Street, London W1. Tel: 01-493 2107. Fax: 01-499 8088.

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AUCTION SALES LEMPERTZ AUCTIONS IN COLOGNE. EAST ASIAN ART (630) - November 29 and 30. China - Japan amongst others important intro-collection. Preview: November 21-28, incl. Sunday.

MODERN ART (634) - December 7 and 8. Paintings - Sculpture - drawings and original graphics from Impressionism and Expressionism to the present time. Catalogue: 636 DM 28.-, 634 DM 30.- incl. postage. NEUMARKT 3 - 5000 KÖLN I - W. GERMANY - T: (0) 221/23 68 62.

PARIS AUCTION. IMPORTANT COLLECTION OF FRENCH COINS. Including two exceptional pieces: Louis XIII 'Dix Louis au buste drapé' & 'Huit Louis au col nu'. Wednesday, December 7 at DROUOT-RICHELIEU Room 4 at 2 p.m. Experts: BOURGIE. Viewing: December 6, 11 a.m. - 6 p.m.

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ART EXHIBITIONS ANTIQUES AUCTION SALES appear on Saturday. For more information, please contact your nearest I.H.T. representative or Brooke Pilley, 181 Avenue Charles-de-Gaulle, 92521 Nanterre Cedex, France. Tel: 46.57.93.00. Telex: 613395.

AUCTION SALES Gabus International Sale by Auction Geneva, from Nov. 28 to Dec. 7, 1988. Hôtel des Bergues - Hôtel President.

Hôtel President - Exhibition and sale from Nov. 28 to Dec. 5, 1988. Paintings of Old and Modern Masters (more than 600 works of art). Anker, N. Berchem, Bossard, E. Boudin, Bouché, A. Calais, Dufy, Foujita, Goya, Hodler, Manquín, T. Oguiss, Renoir, Segantini, Snyders, Turner, Vallotton, Vigle LaBran, Vuillard... Drawings - Engravings - Helvetic: Balthus, Fr. Boucher, Fragonard, Picasso, Sourcier... Sculptures: Bugatti, Daumier, Fontana, Giacomotti... Jewellery - Silverware - Porcelain - Furniture Asian and Archaeological objects - 16th Century Hôtel des Bergues - Exhibition and sale from December 4 to 7, 1988. Rare and precious books: Incunabulum, modern illustrated books: Foujita... Exceptional bookbindings: P. Bonet, J.A. Légrain... Catalog on request. Telephone during the sale: Hôtel des Bergues 022/31 59 50 - Hôtel President 022/31 10 00, fax 31 22 06. Huissier judiciaire: Me Ch. H. Piguet.

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Canadian Will Pay Either Way. By William P. ... 1913: Huerta on the ... MEXICO CITY — The ... 1938: Cherry Tree ... WASHINGTON — The ...

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Market Sales table with columns: NYSE, AMEX, OTC, etc. and volume figures.

NYSE Index table with columns: Composite, Industrials, Transportation, etc. and index values.

Friday's NYSE Closing logo with text: Via The Associated Press.

AMEX Diary table with columns: Close, Prev. for various stocks.

NASDAQ Index table with columns: Composite, Industrials, etc. and index values.

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg. for various stocks.

Large table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

N.Y. Stocks Post Small Gain
Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange struggled to post modest gains in light trading Friday, encouraged by hopes for a steadier dollar in foreign exchange.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

Dow Jones Averages table with columns: Open, High, Low, Last, Chg. for Industrial, Composite, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

Standard & Poor's Index table with columns: Industrials, Chemicals, etc. and index values.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

NASDAQ Diary table with columns: Close, Prev. for various stocks.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

Floating-Rate Notes table with columns: Issuer/Int., Coupon Next Bid Ask, etc.

Pounds Sterling table with columns: Issuer/Int., Coupon Next Bid Ask, etc.

Deutsche Marks table with columns: Issuer/Int., Coupon Next Bid Ask, etc.

Japanese Yen table with columns: Issuer/Int., Coupon Next Bid Ask, etc.

ECU table with columns: Issuer/Int., Coupon Next Bid Ask, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

Handwritten text: شكرا من الاصل

AMEX Most Active	
Vol	High
Vol	High

AMEX Stock Index	
High	Low
286.7	282.0

AMEX Stock Index	
High	Low
286.7	282.0

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ECONOMIC SCENE

Can Bush's Pragmatists Ease Market's Anxieties?

By LEONARD SILK
New York Times Service

NEW YORK — President-elect George Bush tried this week to quell anxieties in the stock, bond and foreign-exchange markets. But the markets remained disconcerted and refused to let him enjoy his Florida vacation. As the dollar slid and stocks and bonds fell, Mr. Bush emerged from the waves to say that he would continue to pursue "policy coordination and exchange-rate stability."

Mr. Bush also sought to reassure the markets by naming Treasury Secretary Nicholas F. Brady, the current treasury secretary who came from Wall Street and headed the study of last October's stock market plunge, as his own Treasury secretary. The choice was seen as further proof that the Bush administration would be "pragmatic."

The president-elect had already made that point in choosing James A. Baker 3d, his campaign manager and a former Treasury secretary, as his secretary of state. Mr. Baker, widely regarded as the ultimate pragmatist, turned dollar policy around, and around again, as circumstances required.

Mr. Baker's former deputy at the Treasury, Richard G. Darman, an imaginative and economically literate former professor at Harvard Business School, is expected to be named director of the Office of Management and Budget.

The chairman of President Bush's Council of Economic Advisors is likely to be Michael J. Boskin, a professor at Stanford University who advised Mr. Bush during the campaign. He is regarded by fellow economists as competent and pragmatic.

With this sort of pragmatic economic team taking shape, why are the markets so jittery? Don't they like pragmatism? Are they worried that pragmatism may be a useful tool for dealing with short-term problems — certainly better than ideological rigidity — but that it offers few assurances about the will and vision to pursue a long-term, and politically difficult, course needed to solve the nation's fundamental economic problems?

It was, after all, the failure of some of the same players to follow such a course that produced the nation's chronic budget and trade problems during the last eight years.

AN EARLY TEST will come with the budget for fiscal year 1990, which is to be submitted by Mr. Reagan in January and amended by Mr. Bush in March. Under the Gramm-Rudman Act, the deficit is supposed to come down to \$100 billion in 1990, which will require cuts or tax increases of \$40 billion to \$50 billion.

This week the markets were worrying not only about Mr. Bush's budgetary policy, and how he will escape from his no-tax-increase pledge, but also about monetary policy. There were fears that the economy is heating up, prompting concern about inflation, tighter money and rising interest rates.

Steven Axilrod, the vice chairman of Nikko Securities in the United States and the onetime chief economic adviser to the former Federal Reserve chairman, Paul A. Volcker, says the U.S. inflation rate could easily increase to 5 or 6 percent next year from its current range of 4 to 5 percent.

The Fed, now under the conservative direction of Alan Greenspan, is likely to adopt a more restrictive monetary policy, to head off higher inflation and defend the dollar, as Mr. Bush insists will be done. That means higher interest rates — and that is what is spooking the stock and bond markets.

Higher rates would also raise anxieties about recession and the fragile U.S. and international debt structure. Such rates would also pose new threats to the American banks that hold Third World paper, to troubled U.S. savings and loan institutions, and to the increasing number of highly leveraged corporations.

Currency Rates

Cross Rates	Nov. 18
Amsterdam	1.61 3.552
Brussels	34.45 74.85
Frankfurt	1.2414 2.64
London 100	1.816
London 250	1.2751
New York 100	1.8155
Paris	5.94 10.283
Stockholm	132.22 279.1
Zurich	1.4525 3.046
1 SCU	1.925
1 SDU	1.282

Closings in London, Tokyo and Zurich. Values in other centers. New York closing rates. *Commercial rates: To buy one dollar; C: To buy one dollar; S: Units of 100; N.S.: Not available; N.A.: Not available.*

Other Dollar Values

Currency	Per \$	Currency	Per \$
Armenian dram	12.7	S. Afr. rand	2.40
Australian dollar	1.175	Swedish krona	4.69
Belgian franc	22.5	S. Korean won	114.0
British pound	39.3	Swiss franc	1.48
Canadian dollar	57.78	Taiwan dollar	20.2
Chinese yuan	1.522	Thai baht	25.25
Dutch guilder	2.27	Yen	175.0
East German mark	4.745	Yen	175.0
West German mark	2.219		

Forward Rates

Currency	30-day	60-day	90-day	1-year
Swiss franc	1.8116	1.8071	1.8055	1.8040
Japanese yen	122.19	121.68	121.22	120.78
Deutsche mark	1.7228	1.719	1.715	1.711

Interest Rates

Rate	Rate
1-month	9 3/4 - 10 1/4
3-month	9 1/2 - 10 1/4
6-month	9 1/4 - 10 1/4
1-year	9 1/4 - 10 1/4

Key Money Rates

Class	Rate
1-month	4 1/2
3-month	4 1/2
6-month	4 1/2
1-year	4 1/2

U.S. Money Market Funds

Fund	30-day average yield
Merrill Lynch Ready Assets	7.45
Telocator Interest Rate Index	8.50

Gold

Market	Price
London	372.00
New York	371.00

Secret Meeting Led to Massed Dollar Support, Officials Say

By Peter T. Kilborn
New York Times Service

WASHINGTON — Treasury Secretary Nicholas F. Brady and leaders of the major industrial democracies laid plans to enforce their stable dollar policy at a secret meeting on Monday in Paris, according to a Treasury official who declined to be named.

The meeting at the Louvre Palace offices of the French Finance Ministry resulted in Thursday's multilateral government assault on the currency markets that checked the dollar's latest decline, to its lowest level against the yen since World War II.

Starting in Asia and sweeping westward as currency markets opened, the central banks of 10 or more countries, including the U.S. Federal Reserve, bought dollars in heavy volume. The Bank of Japan was estimated to have bought at least \$500 million; some estimates put the total buying by central banks at about \$1 billion.

"Those interventions were not at random," said an official of a European finance ministry who insisted that he not be further identified. "They were the result of talks that have taken place."

The U.S. Treasury official said the secret meeting had been planned weeks ago, before the recent turmoil in the markets.

He said the countries involved thought it essential to meet after the U.S. election to establish whether the administration of President-elect George Bush remained in agreement with the policies established by the Reagan administration.

Mr. Bush's election meant that the policies would continue, the Treasury official said.

The decision to meet "was based on general concerns," the official said. "It was not the result of one day's market action on Friday."

Last Friday, the dollar plunged amid speculation, in the absence of comments to the contrary, that Mr. Bush would want a lower dollar to help reduce the U.S. trade deficit.

On Sunday and Monday, top Bush advisers, and ultimately Mr. Brady and Mr. Bush, said that they were not seeking a cheaper dollar and that the seven-nation cooperative policy, to keep the dollar stable, remained intact.

But except for the words from the Bush camp, there was little evidence that other countries — with the exception of Japan — remained committed to the policy.

The United States coordinates economic policy within the Group of Seven, whose other members include Japan, West Germany, Britain, France, Canada and Italy.

The acknowledgment Thursday of the meeting in Paris, as well as the market

intervention of West Germany — which by its absence from the markets had raised doubts about its support of the monetary policy — appears to have removed doubts that for now, the nations want a stable dollar.

Officials said there had been no change in the ranges within which the countries had agreed to hold the dollar. Those ranges have never been disclosed, but they are generally assumed to be 120 to 140 yen and 1.60 to 1.90 Deutsche marks.

Officials would not name all the participants or the nations represented at the meeting Monday.

But they said the participants included the three key finance ministries: Assistant U.S. Treasury Secretary David C. Mulford; Hans Tietmeyer, the West German state secretary for finance, and Toyoo Goyen, a Japanese deputy minister for finance.

In addition to those three and a French deputy, whose presence at the meeting was assumed, West German Finance Minister Gerhard Stoltenberg was in town at the time for talks with French officials, including Finance Minister Pierre Bérégovoy and his predecessor, Edouard Balladur.

Officials familiar with the meeting said the senior ministers did not sit in.

A spokesman for Mr. Stoltenberg in Bonn said the finance ministries had been conferring "all the last days," but he said the minister's trip to Paris "was only a private visit." Beyond meeting the French finance officials, "the visited ministers," the spokesman said.

West Germany's participation in Thursday's market intervention was significant evidence of a multilateral accord to bolster the dollar. Until Thursday.

See MEETING, Page 12

Market Sees New RJR Bids

Stock Price Rises Before Deadline

Compiled by Our Staff From Dispatches

NEW YORK — The stock price of RJR Nabisco Inc. rose Friday afternoon in anticipation of higher offers by the two major bidders for the food and tobacco giant.

The deadline for bids was 5 P.M. Friday.

On the New York Stock Exchange, RJR Nabisco was the most active issue. The stock closed 87.5 cents higher at \$33.625.

Sources close to the situation said each of the two groups that has already bid more than \$20 billion for RJR Nabisco was moving forward with new offers.

"Everyone's moving ahead," said one source.

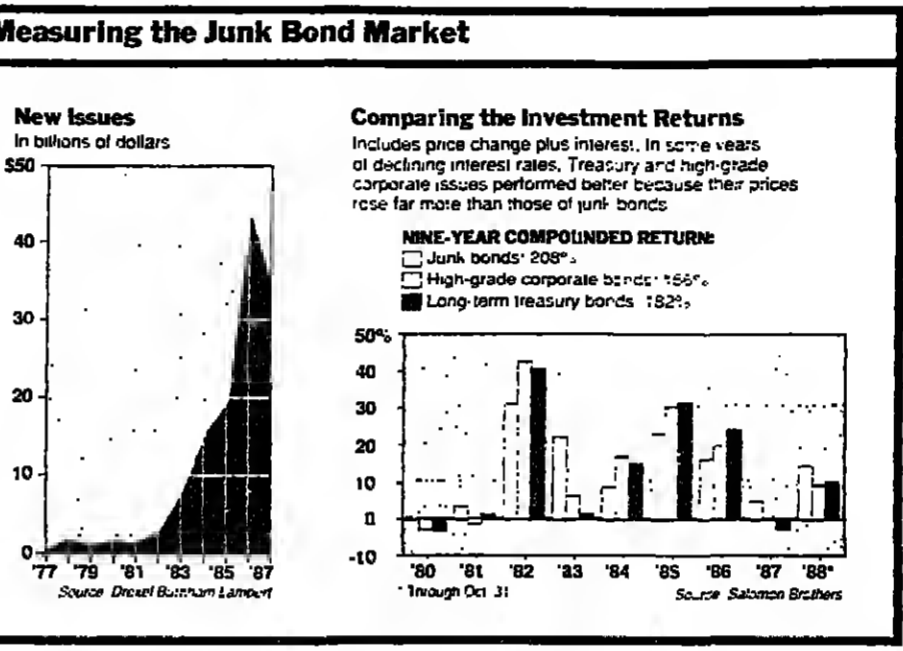
A management group led by F. Ross Johnson, RJR Nabisco's chief executive officer, was likely to bid for just the tobacco interests of RJR Nabisco, not the whole company, according to people with knowledge of the situation. The group has already offered \$20.9 billion for the conglomerate.

A special board committee running the auction said earlier that it might sell off the company's food businesses and encouraged bidders to consider offers for just the tobacco operations.

The second known bidder, Kohlberg, Kravis, Roberts & Co., was likely to present a new, overall bid for RJR Nabisco, but a substantial portion of that would be in securities worth considerably less than their face value, the sources said. Kohlberg, Kravis previously offered \$20.3 billion.

Because the new offers may not be directly comparable, making a choice could be difficult.

The price of RJR stock tumbled more than \$5 a share Thursday morning, to \$79, as traders reacted to unsubstantiated rumors that Kohlberg, Kravis was dropping out of the auction. (NYT, Reuters)



Junk Bonds Retain Their Appeal

But How Many of the Securities Can Market Absorb?

By Michael Quint
New York Times Service

NEW YORK — Pessimists call them "speculative-grade" bonds. Optimists prefer the term "high-yield" bonds.

But everyone knows them as "junk" — risky bonds that pay high rates of interest — a fast-growing segment of the bond market that has played a critical role in the wave of corporate takeovers and reorganizations of the past few years.

The deluge of recent acquisitions and offers, financed in part by junk bonds, has raised the question of how much in new junk bonds the market can absorb.

Already, about \$10 billion of new issues is expected over the next few months. That amount could increase sharply with agreement on pending takeover offers, such as the one for RJR Nabisco, which could use more than \$3 billion of junk bonds to help finance a transaction valued at more than \$20 billion.

So far, there are no clear signs that the investors' appetite for junk bonds is waning.

The spread between the yields on such bonds and Treasury issues has increased by about half a percentage point over the past few months, often a sign of weak demand. But securities dealers said that was a temporary development caused by heavy supply, not a crisis of faith.

Ronald Yersak, senior vice president at Drexel Burnham Lambert, said that "two or three years ago, when the universe of investors was smaller, this amount of supply might have been a problem."

But now, he said, the rise in junk bond yields relative to Treasury issues is merely a sign that investors are being more selective.

"Investors are in a good position to stand on the sidelines with their cash and wait for the ones they want," he said.

In early November, for example, Federated Department Stores had to offer 16 percent and 17 percent interest rates on new bonds totaling more than \$1 billion.

Those rates were more than a percentage point higher than levels contemplated earlier this year, but they were needed to entice investors who worried about weakening sales at department stores and the fact that Campeau Corp., which recently acquired Federated, already had a full plate of debt from last year's acquisition of Allied Stores.

Looking ahead, securities dealers see financing of the RJR Nabisco takeover as a watershed event that should help give the junk bond market more legitimacy in the eyes of investors and corporate executives.

The record size of an RJR Nabisco junk bond issue would require an extra high yield, but those involved are confident that investors would be

See JUNK, Page 11

Inflation Rate Rose Last Month To 6.4% in U.K.

Compiled by Our Staff From Dispatches

LONDON — British retail-price inflation bulged to an annual rate of 6.4 percent in October, up sharply from 5.9 percent in September and the highest level in more than three years, the government said Friday.

The Department of Employment said the retail price index was driven up in October largely by rises in mortgage interest rates, which reflect steep rises in British interest rates generally as the government attempts to pinch off an inflationary consumer spending boom.

The October increase was slightly ahead of a consensus market forecast of 6.3 percent.

Friday's figures put British inflation well ahead of price rises among major Western trading rivals. Inflation in West Germany is running at 1.3 percent; in the United States, at 4.5 percent; and in Japan, at 0.6 percent.

But inflationary fears in financial markets — the stock market barely moved after the inflation figures were announced — were caused by evidence of a slowdown in the consumer boom.

Employment Secretary Norman Fowler said that the index excluding mortgage interest payments rose 5.1 percent in the year to October, compared with an annual rate of 5.2 percent in September.

Another official report on Friday showed a decline in the rate of increase in private borrowing, which was up by £540 million (\$983.1 million) in October, after £1.6 billion growth in each of the past three months.

The boom has both added to inflation and sucked in imports, creating a trade deficit expected to reach £13 billion this year.

Inflation stood at around 4 percent early this year and last exceeded October's level in July 1983, when it registered 6.9 percent.

Chancellor of the Exchequer Nigel Lawson said in a recent speech

that be considered the battle against inflation his top priority. He predicted price rises would peak at over 6 percent and decline next year.

Mr. Lawson also said that interest rates would remain high for the next year. Bank lending rates have risen from 7.5 percent in the summer to 12 percent now.

(Reuters, AP)

OPEC Members Struggle For Output Accord

The Associated Press

NEW YORK — Oil futures prices ended mixed in choppy trading Friday as members of the Organization of Petroleum Exporting Countries continued to meet informally in hopes of ending a deadlock in output talks.

Market watchers said they were not optimistic that the gatherings this week in Vienna would help eliminate the worldwide oil glut.

The price of West Texas Intermediate for December delivery rose 51 cents to \$13.80 a barrel on the New York Mercantile Exchange. But North Sea Brent for delivery in December fell 38 cents to \$11.97, and the price for Dubai Light slipped 28 cents a barrel to \$9.45.

"There's a growing sentiment that OPEC is having a difficult time getting their act together," said Peter Beutel, an energy analyst.

Talks reportedly were deadlocked Friday as Iran and Iraq disagreed on output.

Eastern Unions Seek to Block Sale

United Press International

WASHINGTON — Eastern Airlines unions filed a motion in federal court Friday seeking to prevent the airline from selling its profitable shuttle operations to the New York developer, Donald Trump.

The suit is another volley in a long-standing legal battle between the Airline Pilots Association, the International Association of Machinists, the Transport Workers of America and Frank J. Lorenzo, chairman of Texas Air Corp., which owns Eastern and Continental Airlines.

The unions contended that the sale of the shuttle, which flies between Boston, New York and Washington, violates federal labor law because it constitutes a substantial change in the company's operations at a time when two of the unions — those representing pilots and machinists — are in contract negotiations.

Financially ailing Eastern announced the \$365 million cash sale of the profitable shuttle operations to Mr. Trump last month, but the sale has not yet been completed.

The unions contended that Mr. Lorenzo is attempting gradually to eliminate unionized Eastern in favor of nonunionized Continental.

"It is obvious that the Texas Air management at Eastern has no interest in preserving Eastern as a major force in the aviation industry," said Captain Jack Bevier, a pilots' union leader at Eastern. "They've done nothing but squeeze out assets over the last two years."

The unions made the motion to block the sale as part of an existing suit filed in federal court last summer regarding Eastern's planned layoff of 4,000 workers and dropping of 200 flights, including closing its Kansas City hub in September.

In August, Federal District Judge Barrington Parker accepted the unions' argument that the layoffs violated the Railway Labor Act, which covers airline workers, and issued a preliminary injunction barring the layoffs.

United to Retain Route to Tokyo

Reuters

WASHINGTON — The U.S. Transportation Department said it gave United Airlines permission to retain its Seattle-Tokyo route, reversing its earlier decision to give the lucrative route to Continental Airlines.

United is a unit of UAL Corp., while Continental is a unit of Texas Air Corp.

Continental and American Airlines, a unit of AMR Corp., had sought the route and both applied to have United's agreement canceled.

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AMEX Most Active

AMEX Stock Index

Currency Rates

Interest Rates

Key Money Rates

U.S. Money Market Funds

Gold

Page 9

Friday's NYSE Closing

Tables include the netwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE. Includes various stock symbols and their prices.

Table with columns: High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE. Includes various stock symbols and their prices.

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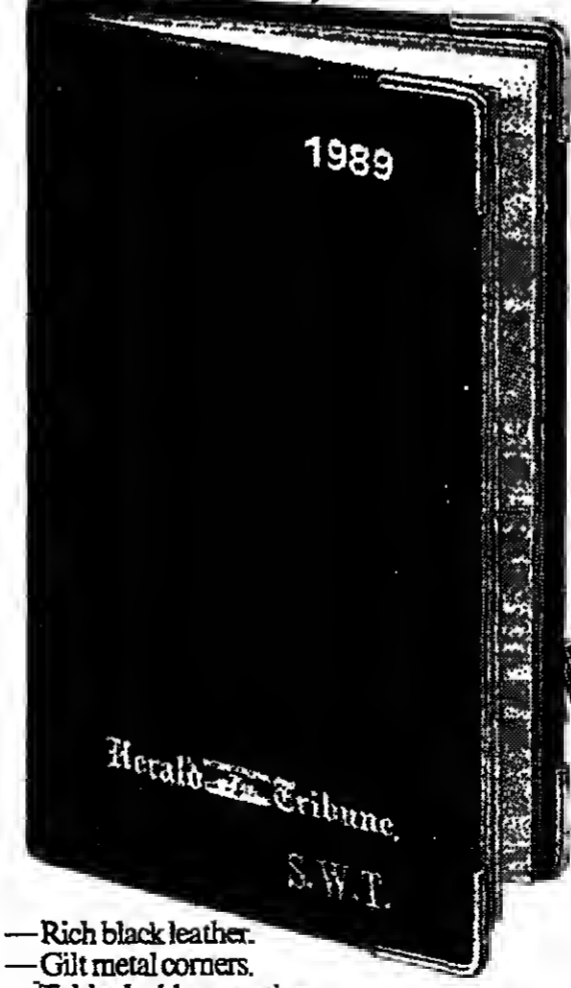
Table with columns: High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE, High, Low, Stock, Div. Yld. PE. Includes various stock symbols and their prices.

ADVERTISEMENT INTERNATIONAL FUNDS

November 18, 1988

Large table listing various international funds with columns for fund names, descriptions, and prices. Includes sections for 'INTERNATIONAL FUNDS', 'OTHER FUNDS', and 'UNITED STATES FUNDS'.

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BUSINESS ROUNDUP

BGas Loss Triples to £107 Million

LONDON — British Gas PLC said Friday that its pre-tax loss in the first half of the financial year had more than tripled to £107 million (\$194.8 million) on a current-cost basis because of weaker oil prices.

half fell to £28 million from £111 million. Net loss on a current-cost basis was £117 million, compared with £71 million. On an historical cost basis, net profit tumbled to £18 million from £71 million. Net interest rose to £43 million from £34 million.

day the company had sold its 1.14 percent stake in London & Scottish Marine, known as Lasmo, which was acquired during an ill-fated raid on that company Sept. 13. He would not disclose the price received for the shares, but said "we sold it for a small profit."

Trading Heavy in Nestlé After Decision on Stock

ZURICH — Nestlé SA's stock experienced sharp price movements Friday in hectic trading on the Zurich Stock Exchange after the company ended discrimination against foreign stockholders.

Testing Hong Kong's Credibility

Telecommunications Offering to Measure Confidence

By Floyd Norris New York Times Staff Writer NEW YORK — When the bulls were running in the months preceding last year's collapse in global equities, none were more boisterous than those in Hong Kong.

alism assured through at least the year 2047, but there are those who doubt such promises can really bind a future Chinese government.

listing shares during the bull market. Those charges are pending. The Hong Kong government had kept its hands off the stock exchange, but since the crash it has taken a much more active role.

Kann Named As Publisher At The Journal

The Associated Press NEW YORK — Peter R. Kann, who won a Pulitzer Prize for international reporting and was the founding editor and publisher of The Asian Wall Street Journal, has been named publisher of The Wall Street Journal effective Jan. 1.

JUNK: How Many of the High-Yield Securities Can the Market Absorb?

(Continued from first finance page) attracted by the steady sales and value of the company's divisions. RJR is so well known that it will be a stimulant, attracting more investors to the high-yield market.

overs could not go forward without junk bond financing. Junk bonds provide the additional funds that enable a buyer to offer a price high enough to persuade a company's shareholders to sell.

came more attractive after U.S. tax law changes in 1986 that eliminated the preferential low tax rate for capital gains.

But a serious risk to the junk bond market would be an increase in loss from defaults above the 2 percent rate of 1987.

French Company Handbook 1988. Now in the 1988 completely revised and updated edition, almost 200 pages of indispensable information in English on a selection of 85 of the most important French companies...

Friday's NYSE Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Includes a large table of stock prices and a form for requesting the handbook.

Mediobanca Sale Price Is 19,150 Lire a Share. The public offering of 13.3 percent of Mediobanca SpA, the Italian state-controlled merchant bank, has been priced at 19,150 lire (\$14.79) a share, Mediobanca said Friday.

Company Results. Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Company Results. Table listing financial data for various companies including Beecham, British Telecom, Campbell Soup, etc.

Company Results. Table listing financial data for various companies including Westvaco, Baker Hughes, etc.

CURRENCY MARKETS

DOLLAR: Bears Battling Against the Central Banks

(Continued from page 1)

moving on to fill other areas in his administration. "We're going to flesh out the economic side of the house and then start working on national security," Mr. Bush said.

His designated chief-of-staff, John H. Sununu, said in a television interview that the quick selection of advisers should assure financial markets that Mr. Bush will provide strong leadership on cutting the U.S. budget deficit.

Concern over the huge U.S. budget and trade deficits and about the incoming administration's ability to deal with them quickly has been the major factor behind the dollar's steep decline since the U.S. presidential election last week.

Mr. Brady said he was not concerned about the weakness of the dollar.

"I don't see anything in the figures right now that would indicate that interest rates are going to rise," Mr. Brady said on NBC's "Today" program.

Mr. Brady also said that con-

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	1.282	1.285
French franc	1.484	1.483
Japanese yen	1.485	1.485
Swiss franc	5.323	5.315

Source: Reuters

cerns in the financial markets about the resolve of Mr. Bush to deal with the budget deficit were "overblown."

Higher interest rates in the United States would increase the dollar's investment attractiveness. Markets were therefore briefly unsettled by Mr. Brady's comments.

But the currency was buoyed later by remarks from the House speaker, Representative Jim Wright, a Democrat from Texas,

that Mr. Bush was prepared to take serious action on the budget deficit. After a meeting with the president-elect, Mr. Wright said "he is prepared to do what is necessary."

In spite of the stability brought about by central bank support, sev-

eral economists remained skeptical that it could last.

Some economists said total purchases by central banks, including those of the United States, Japan, West Germany, Britain, France, Italy and Switzerland, were between \$2 and \$3 billion on Thursday and Friday combined.

The dollar rose to 1.4600 Swiss francs at the close, from 1.4468 at Thursday's close, and to 5.3190 French francs from 5.3090. The dollar also firmed against the British pound, which fell to \$1.8155 from \$1.8280.

In London earlier, the dollar closed mostly firmer. The central banks' operations boosted it, but momentum later fizzled out and some of the gains were erased in thin conditions, they added.

The dollar eased to 122.65 yen from 122.70 at Thursday's close, but it advanced to 1.7350 DM from 1.7295 DM. The dollar also advanced to 1.4585 Swiss francs from 1.4505, while the pound eased to \$1.8160 from \$1.8205.



PRETTY PLEASE — David Stewart, a British currency trader, gesturing Friday to a colleague at a Tokyo foreign-exchange dealer's office. The dollar strengthened from lows Thursday.

Tokyo Firms Shun Index Arbitrage Opportunities in Japan Are Left for Foreign Companies

TOKYO — Japanese securities firms remain reluctant to arbitrage between stock-index futures and cash stocks since index futures trading started in Japan in September, traders said Friday, leaving the field to foreign companies.

"I don't really understand why Japanese firms hesitate to arbitrage even when the spread between futures and the cash index seems wide enough for profit," said Louis Tseng, vice president of international trading at Goldman Sachs (Japan) Corp.

"Foreign firms never fail to arbitrage when premium or discount spreads reach a certain level, 400 points or so for the Nikkei-225," said a trader at a Japanese firm, referring to a key Tokyo market index.

"Unnatural movement in the cash index tells us foreign firms are arbitrage," the trader said. "We hardly do it."

Japanese futures traders are willing to arbitrage, but industry regulations discourage them from stepping into the cash stock market, Japanese traders said.

"I usually can't do anything but watch our computer program flash the arbitrage 'go' sign," said Kazunori Maruyama, manager of futures trading at Tokyo Securities.

Foreign securities firms, especially U.S. firms such as Salomon Brothers Asia, Morgan Stanley, Smith Barney and Goldman Sachs, are frequent arbitrageurs, traders at Japanese firms said. Foreign firms have more expertise in futures arbitrage, but have little involvement in cash stocks in Japan.

Foreign firms lack understanding of the Japanese market and find it difficult to break down Japanese customer loyalty to Japanese securities firms, traders said.

They said arbitrage deals done by foreign firms have affected the Nikkei-225 index by tens of points

at a time, and by as much as 100 points on some occasions.

Securities firms cannot buy finance-related stocks through their own accounts; they can only accept orders from outside investors.

Finance-related stocks are those companies that have announced new financings through issues of convertibles, warrant bonds or shares.

Several Japanese securities firms

Japanese traders said the rule, finance stocks should be re-evaluated ahead of the introduction of stock index options in Japan starting next spring and the listing of Japan's two futures indexes on Chicago's futures exchanges next year.

"Active arbitrage by Japan firms is necessary if the futures changes here are to be healthy, cause open positions are at a very low level in the current speculative, dominated market," said Kazuo Kawasaki, manager at Kokusai Securities.

Others doubted the finance-related rule would be abolished without Japanese securities firms are of varied services.

Even if the rule were changed, broker said, Japanese firms would not train floor traders in arbitrage trading of cash stocks on Japan's exchanges, which is likely to be more than two years away.

He added, "Without futures options it's difficult for foreign firms to survive because the cash market seems closed to them."

Dollar Seen at 1.70 DM

BONN — The dollar is expected to trade at an average 1.70 Deutsche marks in 1989 and the West German currency will be slightly revalued in the event of a European Monetary System realignment, an economic report said Friday.

The report, by five independent university professors, said that international trade imbalances suggested several exchange rates may have to be adjusted next year.

"This is valid for the exchange rates of every deficit country whose currencies fluctuate freely, but also for some currencies within the EMS which would not be adapted," it said, adding that exchange rate adjustments would not necessarily be big.

The professors, dubbed the "five wise men," also said West Germany's economy should grow by about 2.5 percent this year and about 2.5 percent in 1989, but that expansion would fail to reduce the number of unemployed in the country.

The report said that 200,000 new jobs would be created in 1989, compared to 175,000 this year.

MEETING: Secret Talks Led to Heavy Dollar Buying

(Continued from first finance page)

only the Bank of Japan had been trying to stabilize the dollar with much force.

Beyond the agreement to make a show of force in the markets at an opportune moment, officials would not disclose what they, or finance ministers, had discussed before the Paris meeting.

The most important question, said John Williamson, economist at the Institute for International Economics in Washington, is whether the U.S. administration was assured of its allies' unconditional support for a stable dollar.

"They might have asked for a guarantee that he do something real about the budget," Mr. Williamson added, referring to the huge deficit Mr. Bush faces.

Extraordinary steps were taken to camouflage the Louvre meeting, apparently for fear of financing speculation in the markets.

Rumors swept through Paris on Monday that a meeting was being held following news of Mr. Stoltenberg's visit and a disclosure in Washington Saturday that Mr. Mulford had left for Paris on Friday.

American officials attending the OECD meeting included Beryl W. Sprinkel, the president's chief economic adviser. This meeting gave Mr. Mulford a cover to join in the dollar talks.

Even now, some associates of participants at the Finance Ministry discussions seem to know little of the talks.

"Yes, there was the meeting," a Japanese Finance Ministry official said. "All I know is the fact that there was a meeting."

The spokesman for Mr. Stoltenberg said he was skeptical, because he had seen Mr. Viemeyer in Bonn on Monday.

Friday's OTC Prices
NASDAQ prices as of 4 p.m. New York time.
This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.
It is updated twice a year.
Via The Associated Press

Table of OTC prices with columns for 12 Month High, Low, Stock, Div, Yld, PE, Bid, Ask, P/A, C/P, Net. Includes rows for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table of OTC prices with columns for 12 Month High, Low, Stock, Div, Yld, PE, Bid, Ask, P/A, C/P, Net. Includes rows for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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Friday's AMEX Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

SAFIRE IN THE HILT EVERY MONDAY — IN DEFENSE OF THE ENGLISH LANGUAGE AND ITS PROPER USAGE

ADVERTISING SECTION

ADVERTISING SECTION

ABU DHABI

Following the cease-fire in the Iran-Iraq war, there has been an atmosphere of renewal as the emirate moves into gear again. Now, the emphasis is on developing sectors such as overseas investment, industry and tourism.

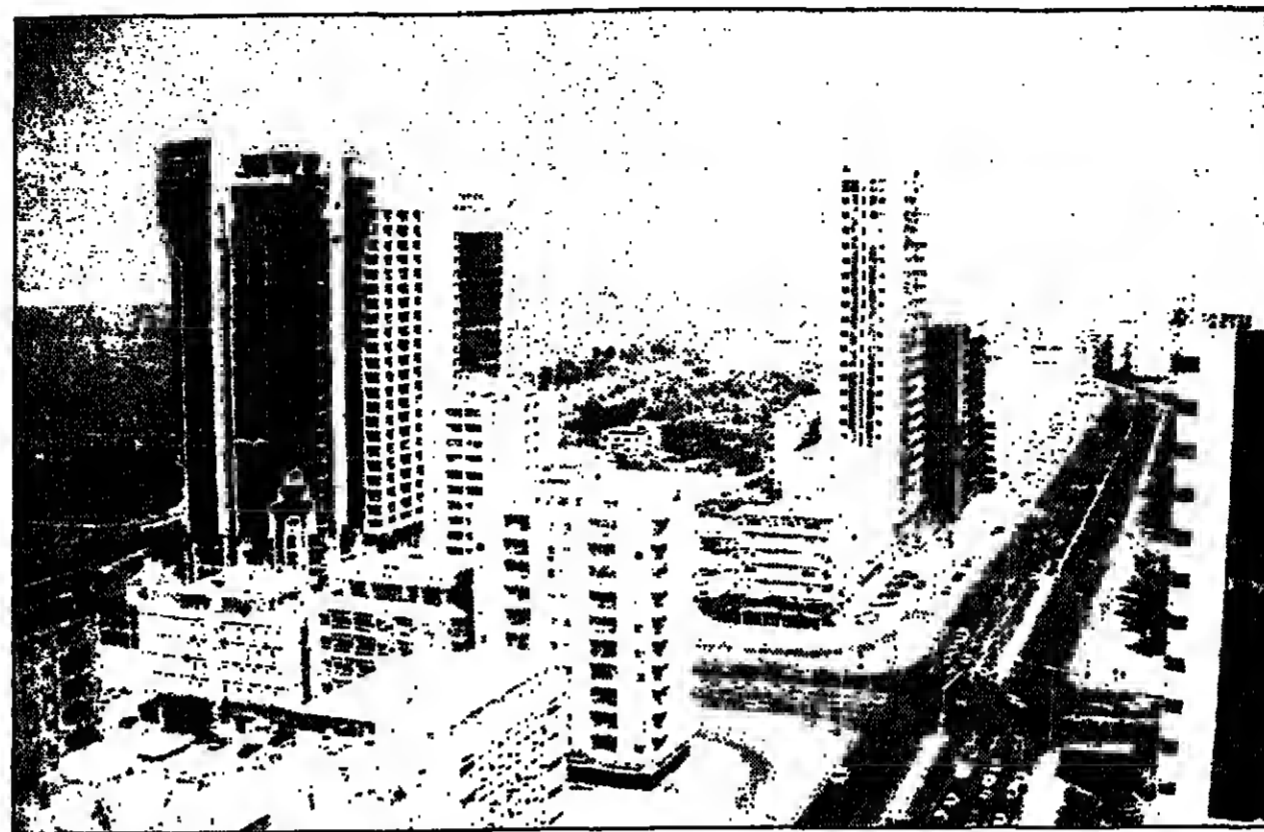
Development of Non-Oil-Related Industries

TH*ere is a new sign saying "TOURISTS" at the immigration counter in the resplendent Nadia Airport, with its award-winning duty-free shop. It reflects a dramatic new approach by the Abu Dhabi government and the United Arab Emirates as a whole to actively encourage tourists to sample the "Arabian Experience."*

The local campaign to lay the foundations of a tourist industry has been spearheaded by the Abu Dhabi National Hotels Company (ADNHC), which is sparing no effort to tell the world that the Gulf welcomes visitors. ADNHC does have a strong vested interest. It owns five major hotels managed by international chains: Sheraton, Inter-Continental, Hilton and Le Meridien. It also owns and manages a unique beach resort hotel, recently renamed the Gulf when its management was transferred from the American Ramada group.

The plunge in the world's oil price from a high of nearly \$40 a barrel to the present level of about \$10 meant a change of fortunes for the oil-based economy of Abu Dhabi. In spite of having the second-largest reserves in the Arab world after Saudi Arabia, Abu Dhabi has had to reshape its economic strategy. It has just trimmed its public spending in order to cut its budget deficit, and it is developing a shrewder international investment policy to maintain its current account.

With a drop of more than 20 percent in oil revenues, the construction industry, services and supplies declined. In turn the number of foreign businessmen coming to Abu Dhabi fell off, and the luxury hotels, all with superb beaches and the last word in creature comforts for the overtaxed business traveler, suffered accordingly. Until then, no one in the region had seriously considered the potential for tourism. The almost limitless facilities and natural resources Abu Dhabi had to offer a discerning travel market had been overlooked.



Looking east along Sheikh al-Khalifa Street, one of the main thoroughfares.

There are sparkling bright beaches shaded with date palms perfect for every kind of water sport: windsurfing, sailing and diving. And, of course, there is the desert — perhaps the greatest attraction. As one Swiss tourist said after an all-day desert safari in a Toyota 4x4 Land Cruiser: "If this is Arabia, we'll come back again. It has been a fantastic experience."

Nasser al-Nowais, chairman of ADNHC, sees the company's role expanding and diversifying to every area of the hotel, catering and tourist industry. Quoted in the company's latest annual report, he says: "Our expansion program has not been limited to the UAE, as we have also set up a company to invest in hotel and tourism projects in other parts of the Middle East. The overseas Tourist Investment Company has two tourist villages which are already operating successfully in Tunisia and Morocco, and a further four

are under development in Turkey and North Africa."

Mr. Hussain Al Nowais, chairman of Emirates Holdings, one of the city's leading businessmen active in many of the service sectors and a strong supporter of tourist developments says, about Abu Dhabi: "It is clean, safe, secure — and sunny. What more could a tourist want? What more could ADNHC wish now that its hotels are beginning to fill with tourists, with average occupancy rates of 70 percent or more? Last year approximately 18,000 tourists visited the United Arab Emirates, of which Abu Dhabi got its fair share. This year it expects to double the number, as tour operators' allotments are taken up. Many see the 1989-90 season as the start of the Arabian tourist boom.

"We are trying to streamline our immigration, to make it smoother for those requiring visas and to be more friendly

Continued on page 14

New Council to Streamline the Oil Industry

A supreme Petroleum Council has been appointed to take over the running of the oil industry and to rationalize the management activities of the Abu Dhabi National Oil Company. The council, composed of a wide range of senior oil officials and banking executives, will have to tackle the problems of lower oil revenues and a possible sudden increase in output. Oil has made the emirate one of the richest countries in the world, with a gross domestic product that has risen from a low in 1985 to just short of DH 60 billion (\$20 billion) at the end of 1986. Two-thirds of this figure was accounted for by oil and gas production.

Although efforts are being made to diversify the economy by encouraging more investment in the services sector, particularly tourism, real estate and property maintenance, as well as some light manufacturing, oil remains the basis of the economy. With the falling price of oil, both Abu Dhabi and the United Arab Emirates as a whole have had to cut back some of their development programs.

Important suggestions about future strategy have come from Dr. Mana Saeed al-Otaiba, minister of petroleum and mineral resources, in a lecture to the general headquarters of the United Arab Emirates armed forces in Abu Dhabi, published recently. He made it clear that the OPEC quota of 948,000 barrels a day was unacceptable.

"We have fixed the oil quota at 1.5 million b/d, and this is the minimum level accepted by the UAE under the present difficult circumstances," stated Dr. Otaiba. At the same time he outlined the UAE's reserves in oil and gas, which he put at 100 billion barrels, compared to Saudi Arabia's 167 billion. These would be sufficient for the next 500 years, depending on output, and there is estimated to be enough gas for at least 1,000 years.

In order to streamline oil exploitation, production and

Continued on page 16

Arbitrage Foreign Companies

Japanese traders say that firms are arbitraging... package consisting of... of each of the 225... Nikkei-225 index.

"Tokyo branches of U.S. firms have separate... New York-based... based," said Masao... futures trader at Dai-... ties. "Japanese regulations... apply to orders from coe... tomers."

Japanese traders said that finance stocks should be... ahead of the... stock index options... next spring and the... Japan's two futures... cago's futures exchange...

"Active arbitrage by... firms is necessary if... changes here are to be... cause open positions... low level in the... dominated market," said... Kawasaki, manager at... curities.

Others doubted the... related rule would be... Japanese securities firm... ing varied services.

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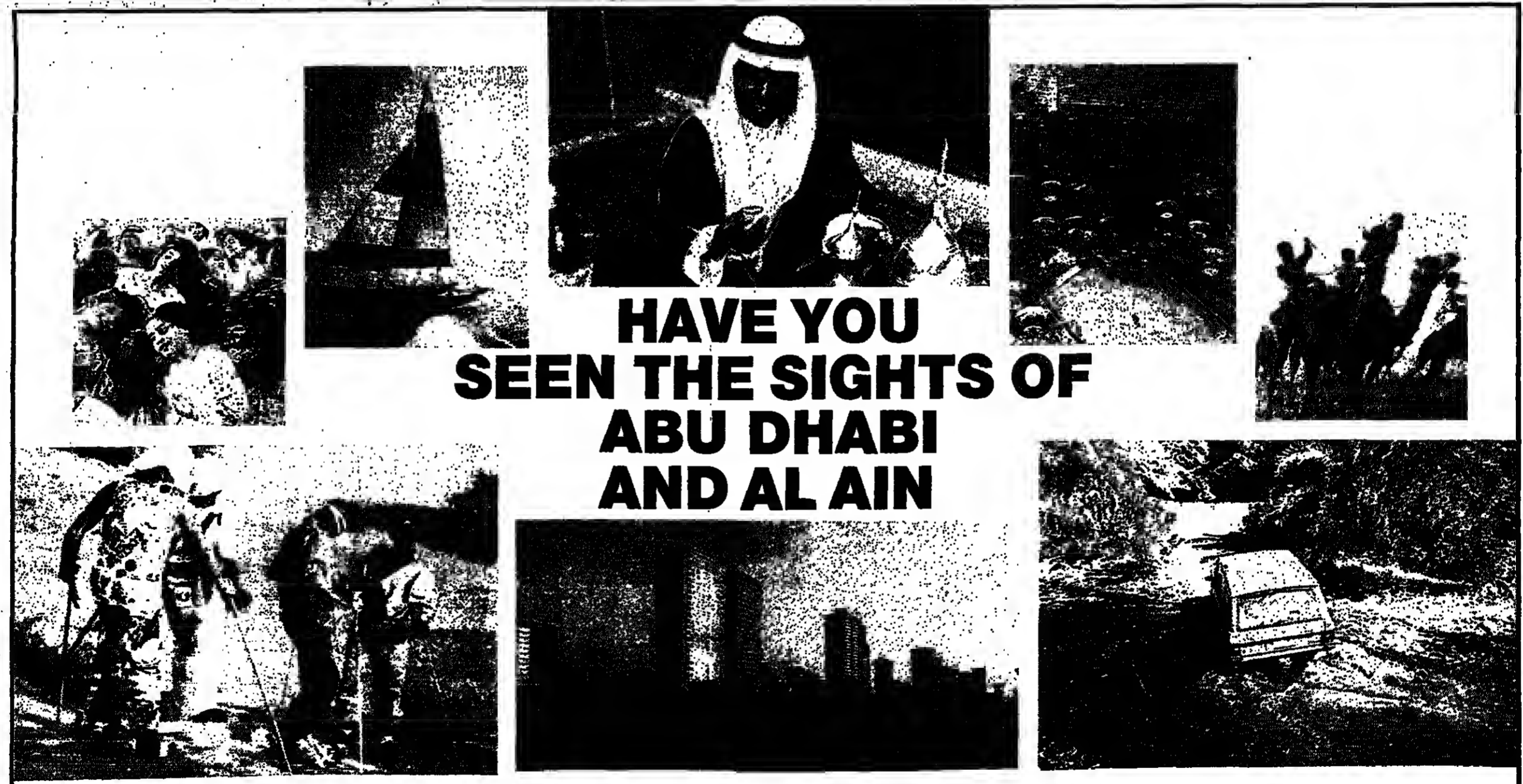
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UA-OP					
UA-SP					
UA-TM					
UA-UM					
UA-VL					
UA-VM					
UA-WM					
UA-XM					
UA-YM					
UA-ZM					

Fridays AMEX Closing

(Continued)



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- Hilton International Al Ain, Tel: 641410, Tx: 33505 HILTON EM, Fax: 654958 Meridien Hotel Abu Dhabi, Tel: 776666, Tx: 23794 HOMER EM, Fax: 727221 SITA CODE AUHROAF
- Abu Dhabi Gulf Hotel, Tel: 448777, Tx: 22904 GULFIL EM, Fax: 376537 Ramada Hotel Dhafra, Tel: 716000, Tx: 52201 RAMAJD EM, Fax: 71002

National Banks, International Interests

THIS year marks the 20th anniversary of the founding of the National Bank of Abu Dhabi, one of the leading banks in the United Arab Emirates. "We are doing fine," says His Excellency Mohammed Habroush, chairman of NBAD, reflecting the views of most of the banks in the city. "We will be doing a little better this year. We are a very conservative and cautious bank," he adds.

In 1987 the bank had an operating profit of more than DH 95 million



His Excellency Sheikh Mohammed Habroush, chairman of the NBAD and managing director of the ADIA.

(\$31 million), slightly less than the previous year, due to a reduction in profits from foreign exchange dealings. Domestically there was a significant improvement in net profits before provisions for non-performing loans of DH 58 million, compared to a marginal income of only DH 5 million in 1986.

The management states in its annual report that because of increased international competition and reduced economic activity in the Gulf region, it had "taken a decision to substantially increase its level of provisions both for doubtful debts and for loans made to developing countries which continue to be serviced."

Even so, the board expects to make substantially higher net profits by the end of this year.

"Things are definitely on the up and up, but there is still some concern about the oil price," comments a manager. Some revival of commercial activity is seen, particularly in real estate.

Foreign-exchange activities have been increasing. The bank is handling an average of \$400 million to \$500 million a day on the spot market, and is one of the largest dealers in the region. The NBAD has 12 traders plus a chief dealer. As part of its objectives this year, the bank is continuing its arabization policy by hiring and training more nationals.

Abu Dhabi Commercial Bank also has an extensive program of training nationals. "It used to be a problem, but now we are able to find more recruits," comments Sultan N. al-Suwaidi, managing director and chief executive officer. He, too, is optimistic about the future, but not just because of the Gulf War cease-fire. "We are expecting to see more trade-related business, more LCs, and more project financing. Business has begun moving again here and the situation is generally improving," says Mr. al-Suwaidi.

The bank, which has a 60 percent government stake, has a very close business relationship with the Indian subcontinent. Besides its branch in Bombay, it has a representative office in London, which provides backup services for all its operations in the Emirates and India.

Last year the bank turned a profit of DH 40 million. "I think that this year we will show a 40 percent increase," says Mr. al-Suwaidi, adding that the bank had to

make a very small provision for bad debts. "We have not had to create additional provisions," he adds.

Since its formation as a result of the merger of three local banks in 1986, the bank has adopted an aggressive attitude toward expan-



Sultan N. al-Suwaidi, managing director, Abu Dhabi Commercial Bank.

sion and development of new products for its customers. It has 24 branches, and is increasing its ATM network from 23 to 27. ADCB is also the sole issuer of MasterCard in the United Arab Emirates.

Last February the bank introduced its Islamic Fund No. 1, a currency trading fund based on its foreign exchange operations. Requiring a minimum investment of \$5,000, the fund now stands at about \$5 million, showing an 8 percent growth. "We are limiting the size of the fund, because we cannot use the interest on the deposits of our customers," explains Mr. al-Suwaidi.

This month ADCB launched another foreign currency fund, Unit Fund No. 3, which will include units earning deposit interest and gains from currency dealings. It is the only one in the UAE, and will use locally based funds with a minimum of \$5,000 units. The new fund has been launched with \$2 million, and is ex-

pected to rise to around \$5 million. Profits will be reinvested and added to the value of the original units.

An earlier unit fund launched in 1987 and based on foreign currencies has performed better than most equities, fixed-interest stocks or bonds, especially taking into account the effects of the crash of 1987. ADCB has now succeeded in laying the foundations for a sound investment policy, an area of activity which Mr. al-Suwaidi says will continue to be developed in the future.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCC International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straight-forward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu



Bashir Tahir, general manager, Bank of Credit and Commerce.

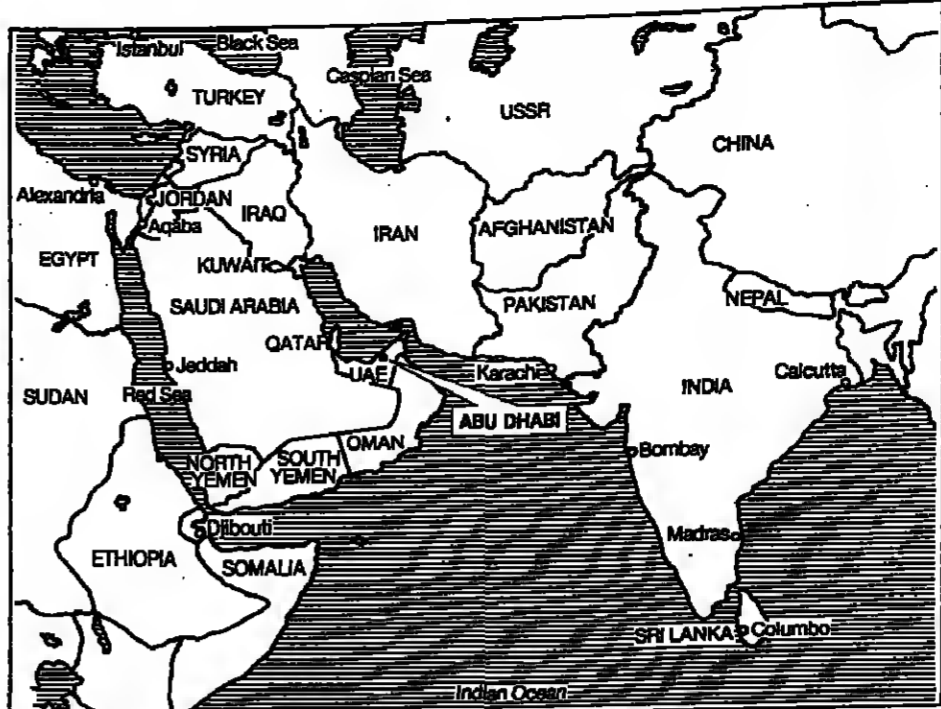
Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

BCC (Emirates) was one of the first banks to install automatic teller machines, and has computerized on-line services in all its branches. Profits last year were DH 71 million, a slight decrease from 1986. But half-yearly profits this year have already shown a 30 percent increase, reflecting the changing economic climate in the Gulf.

Although the 40 banks in the United Arab Emirates are showing improved results — only five showed a net loss last year — there are still too many, in spite of efforts by the Central Bank to cut down the number.

Says Abdul Malik al-Hamer, governor of the Central Bank: "We remain overbanked, when you compare the number of banks to the size of our small population [approximately 1.6 million]. The ratio is larger than in other parts of the world and other parts of the Gulf. Kuwait, for instance, like us has a relatively small population, yet its banking sector is only one-sixth the size of ours. Despite efforts made by us since 1978 the UAE is overbanked, and that is fact."

What is making a difference in the UAE banking system is the rapid development of technology. "Such developments," comments Mr. al-Hamer, "help the efficiency of the banking services." L.V.



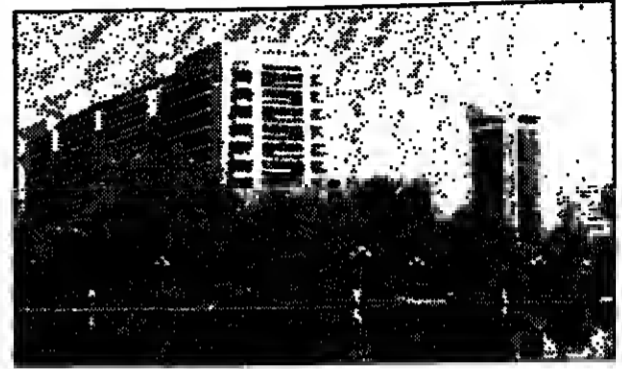
Potential market focus for Abu Dhabi.

Luxury along the Corniche

Abu Dhabi is not only the federal capital of the United Arab Emirates, but its Wall Street as well. It is one of the finest cities anywhere in the Gulf, with a beautiful corniche lined with palms, shrubs and fountains. Its skyline boasts many high-rise blocks, some named for the color of their glass — the Golden Tower, the Blue Tower. Numerous bank buildings line the streets, each seemingly grander than its neighbor.

Once again cranes are beginning to swing throughout the city as even more new buildings are being built along the corniche and on the main streets. After a period of construction stagnation, the real-estate market is on the move. The 23-story Baniyas Tower and the Al Falah Tower are among recently completed residential blocks. Rising 90 meters (300 feet) above busy Hamdan Street is the blue-glassed Al Masaoud Tower. Work is well underway on the 25-story Etisalat (communications) Tower which, measuring 150 meters to the top of its lightning rod, will be one of the highest structures in the emirates. New drains and services are also being installed as part of a \$92 million improvement scheme.

What distinguishes this city from others in the area is its greenery, especially along the main thoroughfares and the airport road, which in places provides a continuous canopy of cooling green. There is said to be so much plant life in Abu Dhabi that it has developed its own mini-climate — a few degrees cooler than the surrounding desert scrub. Nevertheless, the desert remains the main attraction for visitors who take the overnight or one-day safaris to Liwa. This is an oasis 285 kilometers (177 miles) from the city where some of the original Bedouin tribes who later founded Abu Dhabi lived. Here can be found more than 40 varieties of date palms, farms and one of the few remaining camel markets in the United Arab Emirates. En route, the Toyota Land Cruisers plunge hundreds of meters down golden-red sand dunes to the delight of the mainly Swiss, Belgian and Austrian visitors. The tourist department of the Abu Dhabi National Hotels Company organizes these desert excursions as well as a variety of trips to other parts of the emirates, including shopping excursions to Dubai.



City center: lakes, trees and greenery form a quiet oasis.

Most visitors are surprised by the high standards and excellence of the hotels in Abu Dhabi.

Another popular eating place is the Kei, the Japanese restaurant in the Hillton, where the fixed-price menus offer some of the best values in town. And ever-popular is French night at Le Meridien, with traditional cassoulet and fine French chasses flown in specially

Says Ahmed H. al-Khalifa, acting general manager of the hotel, which has been honored four times as top hotel in the Gulf: "Our seafood night is incredible. It has become so popular that we have to put extra tables in the halls and even serve diners who have to sit in some of our other restaurants."

Continued on page 17

Non-Oil Sector Development

Continued from page 13 about procedures at the airport," comments Mr. al-Nowais. "In the past there have been problems with security, but today with our computerized systems we have really become quite sophisticated, which means we can be more flexible."

"The Immigration Department is being very cooperative," says Sayed Abdullah al-Mousaww, general manager of ADNHC, which has recently created an official Tourist Department as a step toward

formalizing business when it comes to tourism. ADNHC has, in fact, been trailblazing in Europe for some time. It has participated regularly in events like the International Travel Market in Berlin and in indi-

vidual promotions, sometimes in conjunction with the Abu Dhabi Chamber of Commerce and Industry. Mr. al-Mousaww admits that at first he was not excited about the idea of promoting tourism. "But I decided to go around the hotels myself, look at the facilities and try to find out what visitors wanted. Most of them told me they came for the sun, the sand, the sea — and the shopping. And of course we could offer all this, and we have a very nice green city too, so I was convinced."

His colleague Abdullah Ali al-Saadi, deputy general manager of ADNHC, echoes his optimism in promoting tourism. It has been a slow, cautious approach since Sheikh Zayed bin Sultan Al Nahyan, president of the United Arab Emirates and ruler of Abu Dhabi, gave the go-ahead in 1985. "Now we are walking along the right track. As every year passes we are learning something and becoming more successful," says Mr. al-Saadi, "and I believe we can, and will, have a successful industry." He recently returned from a three-week promotional tour around Europe, which included an Abu Dhabi Festival Week in Frankfurt.

The most significant factor in Abu Dhabi's growing tourism industry is the Gulf cease-fire. "There was an almost instant response from tour operators. Their allotments rose rapidly and now making administration. It is the first such move anywhere in the UAE, and shows that Abu Dhabi now exceed 12,000 for the current 1988-89 season. Even if only 50 percent of these are taken up, we will have to think seriously about building another hotel," Mr. al-Saadi adds.

Building and construction is the dynamo of the Abu Dhabi economy as the government encourages further diversification from oil- and gas-related industries.

Mr. Saleh Rashed Al Dhahiri, director general of the Abu Dhabi Chamber of Commerce and Industry, says the chamber has been active in trying to attract more foreign investment to the services sector, particularly maintenance and manufacturing projects. The government has agreed to pump about \$2 billion into major infrastructure projects. Half of this will go to increasing water supplies and the rest to more electric power plants and oil-related projects. Most businessmen seem to believe that this capital injection will grease the wheels of commerce more than any other result of the Gulf cease-fire.

One of the leading banks, BCC (Emirates), sees a gradual upswing in business activity over the next two or three years. "We don't think there is going to be a 100 percent immediate change," says a manager. "Although the government is making big efforts to increase economic diversification, the economy here really only moves on public spending," adds another BCC executive.

His Excellency Sheikh Mohammed Habroush, managing director of the Abu Dhabi Investment Authority (ADIA), agrees that the material effects of the cease-fire will not be seen immediately. "But people feel more at ease and they are thinking carefully," he says, reflecting the prevailing view of Abu Dhabi's business community.

ADIA, which is the government's public investment institution, is faced with the challenge of increasing the yield on its overseas investment income. Says Sheikh Habroush: "I think that within the next 10 years our investment income will be sufficient to be able to meet our budgets."

Any additional direct income from tourism will be icing on the cake. Lee Voysey

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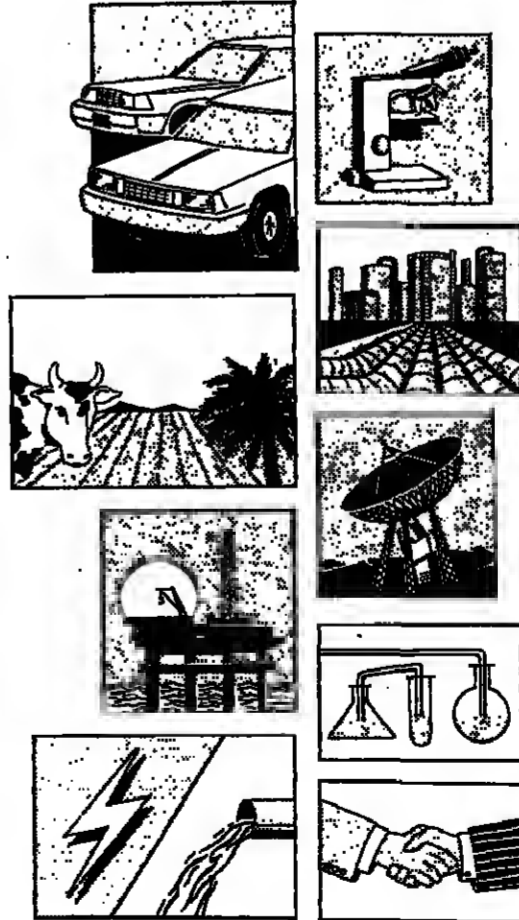


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صك:مائن الاصل

New Programs for Investors

Abu Dhabi's overseas investments are conservatively estimated at more than \$55 billion. Most of this has been placed by the Abu Dhabi Investment Authority, known for its cautious, conservative approach. Although Abu Dhabi's extensive oil and gas reserves are second only to Saudi Arabia's, they are regarded as a very finite resource.

"Our main economy is oil, and we have had to live with this whether we like it or not," says his Excellency Mohammed Habroush, managing director of ADIA. "We are now concentrating our investments on the more traditional markets. We are trying to invest for future generations — oil will not always be there, and we have to have an alternative."

Sheikh Habroush chooses his words with care when outlining ADIA's investment policy, words of wisdom which might be applied to any long-term investment. Excessive profit-making never enters into the picture.

"As far as our investments are concerned, we always look for a good return — it is the yield which matters to us. We invest in the world's free markets: Europe, the United States and Japan. We try to avoid all areas of suspicion — we do not want to end up having a controlling interest in companies in which we invest. We try to avoid areas of national interest, and we try to keep away from all investments which might arouse any national feeling against us. We are always looking to the long term — we do not speculate."

At the other end of the spectrum, i.e. in the private sector (but complementary to ADIA), is one of the

Arab world's newest investment institutions, the National Investment and Securities Corporation (NISCORP). Established in Abu Dhabi, it is believed to be the only all-Arab investment house in the United Arab Emirates, and probably in the Gulf.

Explaining the role of NISCORP, its president and chief executive, Abduljabbar al-Sayegh, says: "We are looking for the neglected investor, the person who has perhaps \$5,000 lying idle. We do not expect to see any of the traditional high net-worth individuals coming to us. After all, why should they? We have to prove ourselves first."

NISCORP's strategy is to offer a "one-stop brokerage and investment service." Mr. al-Sayegh identifies the "neglected investor" as the person who is often turned away by banks because the size of the potential investment is too small and proportionally too costly to manage.

The idea for NISCORP came to Mr. al-Sayegh after he had been working for both the Abu Dhabi Investment Company and the Abu Dhabi Commercial Bank, where he was deputy managing director.

"While I was with ADIC, we used to receive a lot of inquiries from private individuals which we had to turn away because we were only really interested in public sector and corporate investors. When I moved to the bank the same thing seemed to be happening there. I decided we should do something about what I thought was a large neglected area of business."

Now NISCORP is collecting small investments from what it regards as a "niche" clientele, and looking at new products. It has

recently started a foreign currency fund, NISTAL, which will be jointly managed with Staines & Allen Investment Management S.A. of Geneva. NISCORP is trying to persuade the small investors to switch their funds from time deposits, where inflation automatically erodes the small yields.

Mr. al-Sayegh has been closely involved with real-estate development and investment and is a firm believer in putting money into bricks and mortar. While he was working with the Abu Dhabi Investment Authority, he specialized in international real-estate management.

He is now looking into starting a real-estate fund with a very conservative growth, to attract minimum investment of \$10,000. "We are not looking for a get-rich-quick 25-30 percent," he says. Mr. al-Sayegh believes that the Abu Dhabi investor feels more comfortable with real estate than with less tangible investments.

"He wants to be able to tell his friends when he sees a new building going up, 'I have a brick in that,'" he explains. "I am convinced that international real estate is a very conservative investment — it is not so volatile and can't suddenly drop like the foreign-exchange currency markets."

Most new buildings, according to Mr. Sayegh, are now being financed by the private investors and not by the banks. "It is this liquidity which we want to channel into our funds. There can be a 14 percent return these days on any new building."

Another area under study is a Far Eastern fund, which would consist of a portfolio of new high-tech companies. Also on NISCORP's



Abduljabbar al-Sayegh, president of NISCORP.

management team is Yasunasa Morita, executive vice president for the Far East, who has spent many years in Abu Dhabi as portfolio manager with ADIA. He has specialized in the Japanese equities market for most of his career. Last September NISCORP took a 5 percent interest in Daisei Securities, which was listed last year as the 49th biggest trader on the Tokyo Stock Exchange.

NISCORP has an authorized capital of DH200 million (\$54.6 million), with DH40 million paid up. It expects to increase the paid-up capital to DH100 million by next March. Total funds invested to date are estimated at \$50 million.

"We are looking for opportunities which will give us a yield close to an average return on any portfolio, or which will outperform the stock exchange indices," says Mr. al-Sayegh. "We, like NISCORP, are also looking at opportunities which will benefit us, like the Daisei stake, because we have a lot of Japanese business. We also want to become an 'active' investor."

As for the Far East, he adds that this is where growth over the next 10 to 15 years is going to be taking place.

"Anyone moving into that market now will be smiling later," concludes Mr. al-Sayegh.

L.V.

Major Exhibition Site Planned

THERE is an optimistic mood in the Abu Dhabi Chamber of Commerce and Industry which, not so long ago, moved into a new tower block on Abu Dhabi's beautiful corniche.

"You can't change the past, but you can ruin a perfectly good present by worrying about the future," states a small plaque on the desk of Saleh Rashed al-Dhahezi, director general of the Chamber.

"I am glad to say that things are getting a lot clearer here now as far as the future is concerned. The government is hoping to embark on a 25-year master plan for the development of Abu Dhabi," says Mr. al-Dhahezi. "The cease-fire in the Gulf is an important factor and is giving us a



Saleh Rashed al-Dhahezi, director general, Chamber of Commerce and Industry.

chance to reappraise activities within the region. Firms which used to have active trade links here toned down their operations, but are now thinking of restarting again. There is a much better atmosphere, rather like it used to be eight or nine years ago, and we are hopeful for the future."

Saeed bin Ahmed al-Otaiba, president of the Chamber, confirms: "The change in attitude in the annual report just released. He states that the previous 12 months was a period "marked by hard toil and a sure determination to diversify income resources and to lay down a domestic economy on more stable founda-

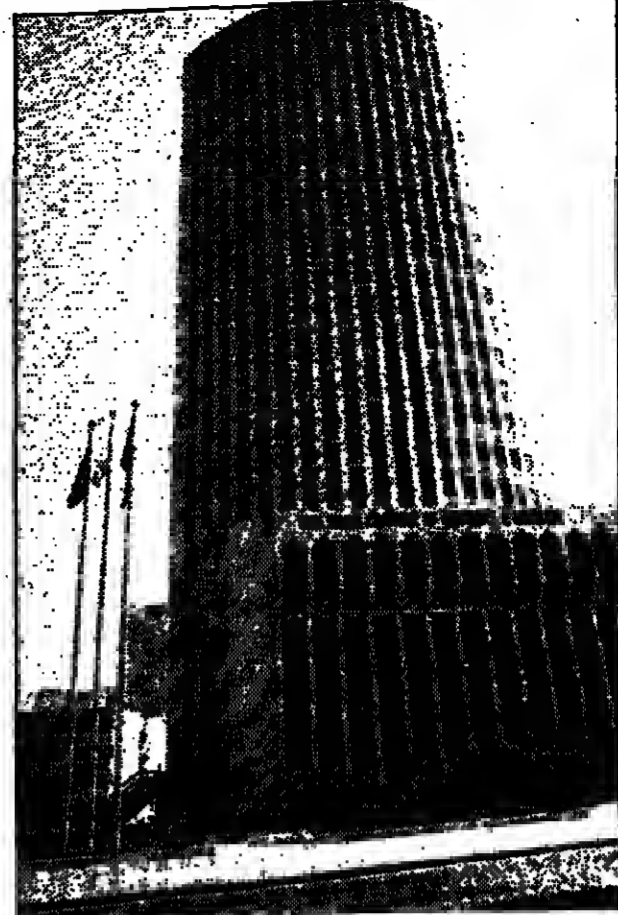
tions which would provide a better future."

"The year 1987 was a period of rejuvenation in most economic sectors following a period of economic recession during the past few years. Economic indices have recorded growth in both petroleum and non-petroleum sectors, and efforts aiming at creating an appropriate atmosphere for domestic and foreign investment, particularly those in productivity, continued," he added.

According to the Chamber's report, exports in the United Arab Emirates rose by 22.7 percent in 1987 compared to the previous year. Non-petroleum exports rose from DH 6.1 billion (\$1.69 billion) to DH 9.2 billion and petroleum exports from DH 31.7 billion to DH 37.2 billion. Abu Dhabi's share, which formed the major portion of oil exports, increased by 12 percent, but its non-oil-related exports showed a substantial increase of 55.7 percent, indicating a recovery in exports and reexports.

Mr. Dhahezi hopes that there will be increasing participation by foreign companies wanting to invest in Abu Dhabi's non-oil-related developments. "We are looking for partners to come mainly into the services sector — tourism, agriculture and food processing, general services, and maintenance," he says. "We believe there is a great future in these sectors, not only for Abu Dhabi, but for the Gulf Cooperation Council countries as a whole."

Mr. Dhahezi believes that there has to be more cooperation over future development between the GCC countries. He advises foreign partners: "When you come to Abu Dhabi, you should not only be thinking of the market here in the UAE but throughout the GCC." Even before the cease-fire between Iran and Iraq came into operation,



The new Chamber of Commerce and Industry building that dominates part of the Corniche.

business had been picking up in Abu Dhabi. "We know this because the number of business licenses which we have issued so far this year is about 30 percent more than in 1987," he says.

The Chamber has 31,400 members. Its two offices in Abu Dhabi and Al Ain recorded 1,239 new trading licenses and 2,463 new professional licenses in 1987, noticeable increases over the previous year.

The Chamber is extremely active in arranging both inward and outward trade missions. Inward missions, including 15 from Europe, totaled 38 in 1987 and are running at about the same level this year. The Chamber is also active in sponsoring seminars and conferences, and provides a wide range of backup research services for potential investors. Its research department is one of the most resourceful in the Gulf, providing economic and marketing information on almost any sector.

The Chamber is planning to put Abu Dhabi on the world business map by staging a major international exhibition in the city next year. It will be the first truly international fair in the GCC. Already there have



Juma Ahmed al-Salami, deputy director general, Chamber of Commerce and Industry.

from the Far East and Southeast Asia, Europe, Africa and the Middle East.

Designs have been submitted for a new international trade and exhibition center to be built on an existing site on the city boundary. It will cover an area approximately 1 kilometer by 0.5 kilometers. As well as including permanent halls and exhibition pavilions, it will be surrounded by a recreational park with all kinds of leisure facilities.

L.V.

New Council Streamlining

Continued from page 13 marketing, ADNOC underwent radical changes in its executive and management structure this summer. Its management board was dissolved and replaced by a new 11-member Petroleum Council chaired by Sheikh Khalifa bin Zayed al-Nahyan, crown prince of Abu Dhabi. Sohail F. al-Mazrui

had his appointment as acting general manager of ADNOC confirmed, and became secretary-general of the new council, which is completely autonomous and has absolute authority in the emirate, to plan and execute all matters relating to the petroleum industry.

ADNOC has been going through an active period of

arabization of key managerial and technical posts during the last few years. About half its employees are now emirate nationals. Training is a key part of the program.

ADNOC's personnel director, Abdulla al-Badi, wants to see a broad spectrum of state-of-the-art training for managers and staff. He would like to see Abu

Dhabi become a focal point in the United Arab Emirates and the Gulf for training oil industry personnel.

Last year 626 employees — 422 from ADNOC and the rest from associated companies — attended courses. Nearly 100 went abroad for further training. Today more than 500 technical, business and commercial graduates have completed their training and are working through ADNOC and its many associated companies. "Their impact and contributions are being increasingly felt year after year," says Mr. al-Badi.

ADNOC heads a group of 24 associated companies involved in all aspects of the hydrocarbon industry, from oil and gas companies to refineries and shipping and fertilizer plants.

Oil on a commercial scale was first discovered and exported from Das Island 26 years ago, but ADNOC was not officially formed until nine years later, when Abu Dhabi became part of the newly independent United Arab Emirates. Up to then it had been one of the British Trucial Oman States.

ADNOC has been the driving force behind Abu Dhabi's oil development — and economy — since its creation. It maintains a close relationship with its foreign partners and shareholders, which include British Petroleum, CFP-Total, Exxon, Shell, Mobil, Paros and the Japan Oil Development Company.

L.V.



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Expanding into New Marketing Niches

THE last two or three years have meant some tough belt-tightening and the development of a new generation of well-educated Abu Dhabi technocrats. Skills learned at American and British business schools and colleges have been put to the test—and in most cases are paying off.

Typical of this new breed of entrepreneurs is Hussain al-Nowais of Emirates Holdings, one of the most diversified groups in Abu Dhabi. Emirates Holdings, which is primarily an agency partner for foreign companies wanting to establish a joint venture on a 51/49 percent basis, has a wide spectrum of interests. These include Maersk Drilling and Geophysical Services Inc., Allied Medical, Electrolux and Motherwell Beidge.

Its diversity has proved its strength during the recent changing economic period. Mr. al-Nowais, 33, began expanding Emirates Holdings in the late 1970s at a time when the major capital projects were coming to an end. Consequently he put his efforts into the service sector.

"A lot of consolidation has now been taking place here in Abu Dhabi. Many foreign companies have pulled out of their operations and, to some extent, have left a vacuum," comments Mr. al-Nowais. With able, flexible management, he has been able to switch his interests as he identifies new market areas. He has reduced his company's activities from 18 to 13 through mergers and closures, and has slimmed his work force down to just under 2,000 from a peak of 3,000.

"We are trying to reposition ourselves. We want to deal more directly with the consumer instead of being in project-related businesses.

with products which can have too many ups and downs. We want to get into areas where we feel we shall always be needed, such as pharmaceutical and medical supplies, particularly disposable goods," explains Mr. al-Nowais, who expects a 20



Hussain al-Nowais, chairman, Emirates Holdings.

percent higher profit this year than in 1987.

As for Omar Z. al-Askari, president of United Technical Services, he sees a greater freedom of movement for investment capital than ever before as he plots a course for the future diversification of his company.

"The private investor has to work on a deal-by-deal basis. The rule of the game is to be cautious, to be more diligent than in the past—and to do your homework," he says.

Preparing the ground is something that he does well, as he switches interests from the maturing construction industry to oil services and supplies.

"Now we are in the third stage of our development here. We have had to diversify into services and the retail market," says Mr. al-Askari, who majored in business administration at Chicago and then spent four years with Arthur Andersen before returning to Abu Dhabi in the mid-1970s.

Over the last two or three years UTS has taken advantage of the government's policy to encourage diversification in the private sector, away from oil-related industries.

"We used to be big in oil services, supplying drilling mud, chemicals and equipment. Now, for example, we've gone into consumer retailing, something which we never dreamed of in the past."

Oil, power generation and desalination, once the backbone of UTS's activities, have been replaced by an emphasis on services for hospitals, hotels and other large institutions.

"We provide what you might call the 'back-of-the-house services' for these organizations, which is why we have a joint venture with Service Master in the United States. We do everything necessary for the smooth running of the organization—computerization, housekeeping services, materials handling and resource planning, but we do not supply professional staff," explains Mr. al-Askari. "If we are doing our job properly, we should be invisible—the hidden hand behind the scene, if you like."

Another important area for UTS is air-conditioning. "The market here is pretty big. At least 55,000 room units a year need replacing, and they only last about seven years on average. This is something we are looking at closely as there is a shortage of A/C units, especially from Japan, because of the rise in the value of the yen which makes their purchase prohibitive. The three Gulf Cooperation Council factories making very good A/Cs in Saudi Arabia simply cannot meet the demand, and so the old units need more servicing to keep them going."



Omar Z. al-Askari, president of United Technical Services.

UTS has had a long association with Carrier International of the United States, one of the world's leading manufacturers of air-conditioning equipment. UTS has been supplying Carrier units and products throughout Abu Dhabi since 1964, and went into a joint venture with Carrier covering the emirates in 1983. Local manufacturing of air-conditioning units is typical of the kind of operation UTS might consider for the future in conjunction with one of its principals. Like other companies that have survived the downturn in the economy, UTS is now pinpointing investment niches both at home and abroad.

The Bin Hamoodah family is one of the local families with roots in the Al Jami area of Al Ain. Faraj bin Ali Hamoodah, who began his education in Abu Dhabi, continued his studies in Swansea, Wales. He returned to help his brothers Ghanim and Ahmed run the Bin Hamoodah group after the death of their father in 1969.

The Bin Hamoodah Trading and General Services Company, which today has around 1,500 employees,

has been exploring new areas and consolidating its activities, like many other successful companies in Abu Dhabi today.

About 30 percent of its activities are related to oil power generation. The GASSOS division provides all kinds of technical support for the oil industry. A manager says, however, that "there has been a shift into other areas which have more growth potential: agricultural equipment and supplies and irrigation plants."

The group's main strengths are in telecommunications equipment and computers (it is the IBM agent for Abu Dhabi); autos; protective clothing, safety equipment and accessories; and several joint manufacturing ventures (it is one of the biggest producers of plastic bags in the Gulf).

The auto division sells the main General Motors range and operates one of the largest spare-parts services in the UAE, with depots in Dubai, Sharjah and Al Ain. It keeps about 50,000 lines in stock and can usually obtain most other parts from the factory within three days.

Now the company is moving into the medical supplies market. It is also supplying other Gulf Cooperation Council countries.

Bin Hamoodah is optimistic. He anticipates an 18 percent increase in turnover compared to 1987 which, in turn, was better than 1986.

"We feel the government is getting things organized now. Businessmen here are also having to become more professional and the weaker ones have been weeded out. What has been achieved in Abu Dhabi is really remarkable when you compare it with what existed 18 years ago. We would now like to see more participation by foreign companies here," says a spokesman for Bin Hamoodah.

L.V.

Port Zayed Looks For New Business

IN 12 months the change in attitude at Abu Dhabi's Port Zayed has been nothing short of dramatic. Until last year, the Port Zayed authorities seemed content to see the majority of Abu Dhabi's nongovernment cargoes enter the emirate via other gateways.

But since January all this has altered, as the government has recognized the need to get local shippers to consign freight through the port. Documentation has been simplified and handling charges cut. Under the direction of the energetic undersecretary of the Abu Dhabi Seaports Authority, Hafez Mohammed Houfan al-Mansouri, Port Zayed is now undertaking a more commercial approach to winning new business.

New rules governing the role of local shipping agents have been introduced in an effort to bring more carriers

directly to the port, and Port Zayed has embarked on an ambitious upgrading program designed to make its facilities more attractive to the latest generation of container ships. The \$14 million plan includes the conversion of two conventional berths into an additional container terminal, operational by 1990. The berths will be dredged to allow deeper-drafted ships to discharge. In addition, a new 40-ton ship-to-shore gantry crane—the port's third—is being installed at a cost of \$4 million.

Clearly, Abu Dhabi's dual-track policy is attracting more business. Figures for the first six months of 1988 reveal an 82.6 percent increase in box traffic to 22,469 teus (20-foot equivalent boxes) over the same period in 1987. Says Undersecretary Mr. al-Mansouri: "The sharp increase reflects the steady improvement of

handling and other facilities at Port Zayed, in addition to the local and international reputation it has acquired." In terms of container handling, Port Zayed still has some ground to cover. The port is likely to handle perhaps 50,000 teu this year, while Dubai's Port Rashid is on target for 535,000 teu. Even the tiny emirate of Fujairah is expecting to top 200,000 teu.

Unlike other emirate gateways, Abu Dhabi has until now preferred to run its port without the benefit of outside expertise. All this changed this year when it signed up West Germany's Hamburg Port Consulting to step up its previously lackluster marketing efforts.

Port Zayed's quest for a higher profile in the world's shipping community has taken it to an increasing number of international exhibitions. In the meantime, Planco Consulting of the United Kingdom has a contract to analyze the port's cargo handling and other operations, the latest move in the government's plan to put the port on equal footing with the emirates' five other major gateways.

Gary Gimson

Commerce and Industry

been confirmed applica- from to countries in at the fair, which held in November 1988. Applicants include com-



Juma Ahmed al-Saleh, deputy director general, Chamber of Commerce and Industry.

from the Far East and West coast Asia, Europe, Africa, the Middle East.

Designs have been submitted for a new international trade and exhibition center to be built on existing site on the boundary. It will cover area approximately 12 meter by 0.5 kilometers well as including parking halls and exhibition pavilions. It will be surrounded by a recreational park—all kinds of leisure facilities.

Abu Dhabi became a focal point in the United Arab Emirates and the Gulf for training industry-sponsored.

Last year 250 employees—421 from ADNO and the rest from associated companies—attended courses. Nearly 100 were abroad for further training. Today more than 300 technical business and commercial graduates have completed their training and are working through ADNO and its many associated parties. Their impact is commensurate with the increasing size of the economy.

ADNO leads a group of 25 associated companies involved in all aspects of international trade, including import, export, shipping and freight forwarding.

Qatar Commercial Bank was the first to be established in the emirate. The bank's main focus is on international trade and finance. It provides a wide range of services to its clients, including letters of credit, remittances and shipping finance.

ADNO has been instrumental in the development of the emirate's international trade and finance sector. It has provided a platform for the growth of the private sector and has played a key role in the establishment of the emirate's first international airport.

The emirate's economy has grown rapidly in recent years, driven by the oil industry. This has led to an increase in the demand for international trade and finance services, which ADNO is well-placed to provide.

ADNO's success is a testament to the emirate's commitment to economic diversification and to the role of the private sector in driving growth. It has provided a model for other emirates and has helped to establish Abu Dhabi as a major international trade and finance hub.

ADNO's future plans include the expansion of its services and the establishment of new branches in other emirates and abroad. It remains committed to providing high-quality services to its clients and to supporting the growth of the emirate's economy.

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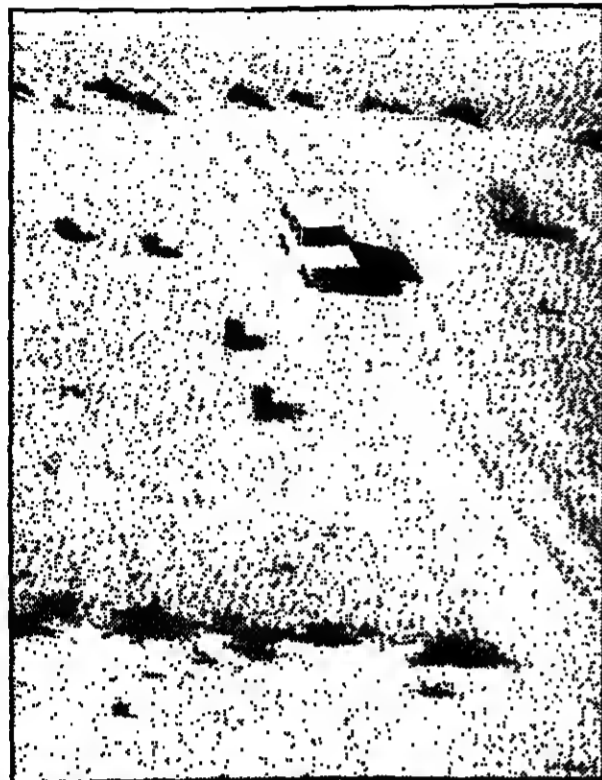
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National Hotels Group Is Force in Leisure Industry

A tourist department has just been formally started within the framework of the Abu Dhabi National Hotels Company. The first semi-official body of its kind to be created in the United Arab Emirates, it signals the start

of a major campaign in the tourist sector. The driving force behind this move is the Abu Dhabi National Hotels Company. As well as owning five of the main hotels in Abu Dhabi, two in Al Ain and another at Jebel Dhanna, the company is also building a new hotel at Ghanout, close to the border with the neighboring emirate of Du-



Riding the desert waves: a popular tourist adventure.

bai, and plans another in the mountains at Al Ain. Additional overseas interests include tourist projects in Morocco, Tunisia, Turkey and North Africa. Most recently, ADNHC has established a company in Egypt to develop new leisure projects. Other major activities involve catering for airlines and the airport, the UAE University at Al Ain, schools, hospitals, military establishments and onshore and offshore oil drilling. This activity was provoked by two factors: the decline of oil revenues and the drop in the number of visiting businessmen. Sayed Abdullah al-Mou-

saw, general manager of ADNHC, says: "We have really only been active on the tourist front now for two years. The second year was better than the first and we expect the present third season to be outstanding." The season in Abu Dhabi is from late October until March or the beginning of Ramadan, the period of the Islamic fast which is governed by the phases of the moon. "Mass tourism" on the scale developed by Spain or Turkey is not expected, nor likely to be welcomed, and visitors are numbered in the hundreds rather than the thousands. "Last year we had 1,600 visitors and we expect to at least double this figure," says Abdullah Ali al-Saadi, ADNHC deputy general manager. "They are coming from all over Europe, but mainly from the German-speaking countries, Belgium and France. Since the ceasefire in the Gulf, tour operators have doubled their allotment of rooms to in excess of 12,000 and we are expecting about 50 percent of these to be taken." Seventeen leading tour operators have signed contracts with ADNHC. They include major companies like Imholz, DSR, Kuoni, Holiday Maker Reisen, Time Voyageur and Wind Rose. Mr. al-Saadi is very optimistic about future developments because the kind of discerning visitor which he hopes will come to Abu



Le Meridien Hotel beach; tourists and banks have a place in Abu Dhabi.

Dhabi is seeking something different, a new experience. "And I believe we can offer that here. We are in some senses a very young country and nothing has been spoiled here. We are trying to protect our natural environment and we are able to offer those visitors a look at our culture, our heritage as well as the sun, sand and sea," he says. Visas have proved a problem in the past but new arrangements with the co-operation of the government and the immigration department have facilitated entry to the emirate. Hotels now vouch for their bona fide guests. In order to handle the

city in the future," says Mr. al-Mousaw. The new department is handling most of the ground arrangements for tourists including airport pick-ups and excursions that attract 60 to 70 percent of visitors. It is also aiming to set a much higher standard of service than has been offered by other agencies in the city. "We can offer the personal touch," says Mr. al-Saadi, who thinks there might well be a need for more hotels. One and a half years ago ADNHC took over the management of the Ramada Hotel and renamed it "The Gulf Hotel," which Mr. al-Saadi says, "was running in the red but we have now brought it into the black, as

of Abu Dhabi, has become the leisure city of the emirate with a zoo, recreational parks, the Hilli Fun City, an ice rink, a camel market (the only one in the UAE) and



Sayed Abdullah al-Mousaw, general manager, ADNHC.

rising numbers, ADNHC has formed a special Tourist Department, the first of its kind in the UAE and now one of the largest organizations in Abu Dhabi. "This is a big step forward for us, as we shall need some kind of tourist minis-

it is proving very popular for those who want a real beach and water sports holiday."

Rapidly taking shape is ADNHC's venture at Ghanout not far from Jebel Ali in Dubai. There a small man-made island has been carved out of the desert. It is linked to the open sea by a six-kilometer (3.72-mile) canal. There are to be 80 rooms in the hotel itself with 20 chalets on the beach. Guests will be ferried between the hotel and the beach by boat. A small hotel is also being built in the mountains near Al Ain which, as well as being the academic center



Abdullah Ali al-Saadi, deputy general manager, ADNHC.

many archeological sites and museums. ADNHC also operates 16 resthouses and motels throughout the emirate which provide all facilities for tourists on excursions, and a small "transit" hotel at the airport. Catering is one of the most important activities of the company. It supplies more than 25 million meals a year on land, at sea, and in the air, and provides 3.5 million meals a year for the students at the university in Al Ain. It runs all the services at Nadia Airport, including operating the award-winning duty free shops, catering 35 airlines and bringing deluxe meals to oil workers at desert locations. One of the showpiece ca-



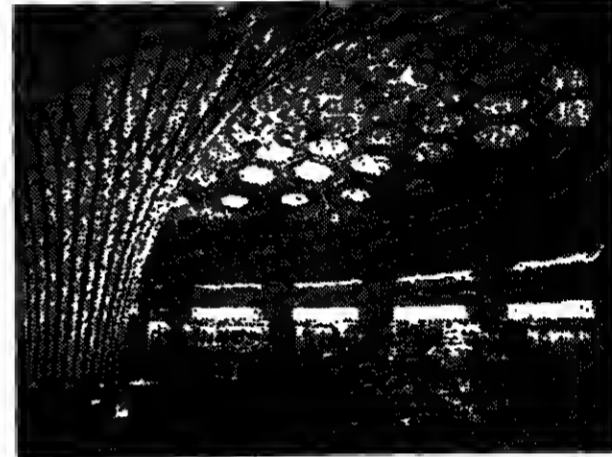
Comfortable shade at the Gulf Hotel.

tering establishments is the Al Safina dhow, which was the personal craft of Sheikh Zayed bin Sultan al Nahyan, the Ruler of Abu Dhabi. It has been modified and placed on the corniche breakwater where special local recipes are served to locals and tourists alike. With such a variety of skills and operations in the service sector it is not surprising that ADNHC should be expanding its pioneering interests into the tourist sector, which is rapidly becoming one of the most significant non-oil related industries in Abu Dhabi. It is one which can make use of virtually unlimited natural resources — the sun, the sand and the sea. L.V.

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Duty Free Shops Win Global Acclaim

OUR prices win prizes," is the slogan at Abu Dhabi Nadia Airport's duty-free shops. And it's true. In October, the second year in a row, the duty-free shopping complex received an Oscar at the Tax Free World Exhibition in Cannes. Abu Dhabi was also runner-up for the Frontier Marketing Award for the best marketing campaign of the year. Sales this year are expected to exceed DH 102 million (\$34 million), a 35 percent increase over 1987. More than 35 airlines use the airport, which handles 2,800 flights a month. The number of passengers should reach 2.8 million by the end of the year, an increase of 12 percent over 1987. But the most significant factor, points out Kumar Thomas, duty-free assistant manager, is the 16.5 percent increase in the number of transit passengers, who account for half the total number. Abu Dhabi is an important transit stop on the global airline grid. For eastbound traffic it is often the last stop before the final destination, and the duty-free shops provide a final shopping opportunity for transit passengers. "We have had significant increases in sales this last year, especially in perfumes, which have risen by 50 percent because of our increased range of brands, which number about 45 today," says Mr. Thomas. The complex, which includes 17 shops, including two in the departures and arrivals halls, is being expanded, partly because of the changing purchasing habits of travelers. "We find that people are not looking for bargains in liquor anymore. They want something different," comments Mr. Thomas. Cigarettes and tobacco are now the most popular purchases. Increased purchasing power by travelers is reflected in the changing stocks. The average passenger purchase at Abu Dhabi is about \$13.20 — 30 percent more than in 1987. Quality watches are now in greater demand. Says Mr. Thomas: "People who had never thought of owning a Rolex watch will buy one here. They are very popular." The most expensive recent sale was a Cartier watch bought by a French traveler for around \$11,000. Travelers en route to the Far East also buy a lot of gold. Sales rose 64 percent in the first half of the year, for a total of 92 kilos (202 pounds). Manufactured jewelry carries an average markup of 5 percent, making it among the best buys in Abu Dhabi. Three new outlets are being added to the complex, which forms a circle around the inside of the airport's main hall. The fashion and leather-wear shop is being remodeled and expanded to include cosmetics. (Some of the best bargains are the \$100 leather coats and jackets, which could cost up to four times as much in a fashionable European boutique.) Looking to the future, the airport plans two new transit lounges to accommodate extra traffic. There will also be a small transit hotel with 10 rooms for use by delayed or weary travelers. Abu Dhabi's duty-free shops have an intimate, friendly atmosphere with a staff of over 100, mainly from the Philippines. They have been specially chosen and trained, and many speak Arabic. Although its prices might win prizes for Abu Dhabi, the smiling and cheerful staff certainly wins customers. And that's what really counts. L.V.



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New Jet Service

A major new development at the airport has been the opening of a \$100 million aircraft maintenance center, one of the largest in the Middle East. Gulf Aircraft Maintenance Company (Gamco) is a joint venture between the Abu Dhabi government and Gulf Air. Gulf Air is jointly owned by the United Arab Emirates, Bahrain, Qatar and Oman. The center covers a 55-hectare (135.9 acre) site, and the main hangar can accommodate three Tristars simultaneously. Gamco is already doing on-line maintenance for 14 aircraft operators. It is also carrying out all the "A" checks on Gulf Air's fleet of L1011s and B737s. Soon it hopes to be doing the major "C" checks. Gamco serves a pressing need for regional carriers, who had previously been bringing their aircraft to Hong Kong and elsewhere for maintenance checks. Gamco will expand its maintenance activities to eventually include all major manufacturers' aircraft: Boeing, Airbus and McDonnell Douglas. L.V.

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SPORTS

On the Track, in the Gym, the Steroid Black Market's Booming

By Peter Alfano
With Michael Janofsky

NEW YORK—The spoils of a little known drug war lay on a table in the office of Phillip Halpern, a U.S. attorney in San Diego. There were bottles, vials and a syringe, all filled with anabolic steroids, confiscated by federal authorities during a raid on a steroid-trafficking case. Halpern's collection has been growing, but not as fast as the steroid black market in the United States, which, federal law-enforcement officials conservatively estimate, now exceeds \$100 million a year. The result: steroids are readily becoming as easy to obtain as aspirin.

The drugs are coming into the United States from Europe, South America and Mexico. In addition, officials estimate that anywhere from 5 to 20 clandestine laboratories in the United States are in operation. They said steroids traffickers say that perhaps 95 percent of the black-market steroids are counterfeit—those manufactured in unlicensed laboratories—and this greatly increases the potential risks for users.

Second in series

wards," said David Jenkins, a former British Olympic sprinter who was indicted by Halpern in May 1986 and now is awaiting sentencing. "They come from a gym environment, where a muscle mentality pervades and creates a demand for bigger bench-presses, bigger squats. They would rather not take a long-term approach. They want steroid McDonald's."

was investigating it. I think we've made it clear that trafficking is illegal. Five years ago, no one knew that." Five years ago, the U.S. government was unaware of the extent of steroid use in the country. Penalties for trafficking were not clearly defined and the penalties that existed were relatively minor compared to those for dealing cocaine and heroin. Thus, steroid dealers were willing to take chances.

Last month, Congress passed the Omnibus Anti-Substance Abuse Act. The new law, which was to be signed Friday by President Ronald Reagan, will upgrade trafficking from a one-year misdemeanor to a three-year felony, doubled when the steroids are sold in minors. It also includes a maximum fine of \$25,000. The irony, Halpern said, is that successfully prosecuting the so-called amateurs, like Jenkins and Duchaine, has opened the door to a more sinister criminal element—cocaine and heroin dealers—who know there is money to be made in steroids.

The U.S. government investigator said that there is not enough money or manpower available to the Food and Drug Administration, the FBI or state law-enforcement agencies to police gyms with undercover agents. Because prosecution of steroid trafficking still has a low priority compared to cocaine and heroin cases, Halpern said his superiors would prefer to concentrate his efforts on what they perceive as more pressing matters.

The black-market user is male, between 18 and 30, insecure, seeking acclaim and rewards. They come from a gym environment, where a muscle mentality pervades and creates a demand for bigger bench-presses, bigger squats. But they would rather not take a long-term approach. They want steroid McDonald's.

—David Jenkins, former British Olympic sprinter, convicted steroid trafficker.



AP/198

illegally diverted from these companies. But with demand increasing and supply dwindling, unlicensed labs began to flourish, trying to duplicate steroids like Dianabol, the drug of choice among athletes and body builders, Counterfeit steroids, however, are frequently adulterated and mislabeled; a bottle may contain a steroid other than that listed, or the potency may be below the stated amount, Halpern said he also knows of two instances when steroid syringes were contaminated, resulting in the transmission of AIDS.

He said he knew of three secret labs making steroids in the United States, in Missouri, Florida and Washington. The federal investigator said that when officials close down one lab, another invariably takes its place. One of the larger current operations is believed in Colorado, at a site officials would not identify. They say it is extremely well-financed, leading them to suspect organized crime is involved. Duchaine, who knows of the operation only second-hand, called it "slick and totally unethical," adding that "the trouble is that not only are the steroids weaker, some of them have no steroid in them at all." He added: "Some of the water-based compounds have microorganisms that will cause you fever. Others are mislabeled."

it more potent. Supposedly, the drug was forbidden to be shipped out of East Germany, but that did not prevent the San Jose ring from passing off theirs as the real thing.

Not all counterfeit drugs are poor imitations, said Duchaine. He claimed that the Dianabol his group was selling in 1986, when the FDA took it off the market, was made in a laboratory in Tijuana — in Mexico, anabolic steroids can be sold over-the-counter — and was of first-rate quality. It cost about \$1.45 in make a bottle containing 100 tablets of Dianabol. The trafficking ring initially sold them for approximately \$5 a bottle. The laboratory in Tijuana, Laboratorios Milanos, was run by Juan Javier MacKis. He was named in the indictment with Jenkins and Duchaine, but can be arrested by U.S. authorities only if he enters the country. He also ran advertisements in major newspapers in southern California, encouraging Americans to cross the border to purchase steroids. It is illegal to bring drugs into the United States, but MacKis left that problem to the ingenuity of the consumer. The shipments smuggled into the United States by the ring were hidden in automobiles or carried across by couriers, who used routes favored by illegal aliens.

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New Coach, New Hope For Lions

By Thomas George

NEW YORK—Less than a week on the job as interim coach of the Detroit Lions of the National Football League, Wayne Fontes has managed to enliven spirits and create an atmosphere of hope that Darrell Rogers could not in four seasons.

The Lions had relied on slow-developing plays that Rogers hoped took advantage of their size and strength. But as Fontes noted, a team can run the same play 12 times and each time give the defense a different look.

NFL PREVIEW

PHILADELPHIA

Philadelphia (6-5) at New York Giants (7-4): The four-team race in the National Conference East will become a confusing scrap if the Eagles win. It is possible that, after Monday night, these teams, plus Washington and Phoenix will be tied for first with 7-5 records with four games left. The Giants need a heroic defensive effort against Randall Cunningham, but their de-



HELLO, UPSET—Gunner Eggen gave a wave as Sagracane Hanover of Norway State Park in Cherry Hill, New Jersey. Oursi, the French champion, was second with Mack Lobell of the United States, the world record holder, third on the rail.

defense ranks 23d in the NFL, 25th against the pass. Giants by 3.

Chicago (9-2) at Tampa Bay (3-9): The Bears have won 11 straight against the Bucs and there's no reason to think No. 12 isn't due. Mike Tomczak, who starts again, is 13-2 as a starter, 5-0 against Tampa Bay. The Bears have the league's best rushing defense; the Bucs rank 22d in rushing offense. Bears by 7.

NATIONAL CONFERENCE

Philadelphia (6-5) at New York Giants (7-4): The four-team race in the National Conference East will become a confusing scrap if the Eagles win. It is possible that, after Monday night, these teams, plus Washington and Phoenix will be tied for first with 7-5 records with four games left. The Giants need a heroic defensive effort against Randall Cunningham, but their de-

AMERICAN CONFERENCE

New York Jets (5-5-1) at Buffalo (10-1): The Bills can clinch their first American Conference AFC title since 1980, while the Jets are near sinking, hoping a quarterback change—Pat Ryan for Ken O'Brien—bolsters the offense. The Jets have won five straight in Rich Stadium but these Bills have lost only to the Bears and have a defense ranked No. 1 in the AFC overall and No. 1 against the run. Bills by 7.

PITTSBURGH

Pittsburgh (2-9) at Cleveland (6-5): The Browns' 30-7 pasting by Denver last week might have been enough to erase any chance they had of defending their Central Division crown. The Steelers and Chuck Noll undoubtedly have known that feeling for several seasons. Browns by 8.

SIDELINES

BIRD TO HAVE SURGERY, MISS 3 MONTHS

BROOKLINE, Massachusetts (AP)—Larry Bird is to have surgery to remove bone spurs on both heels and is expected to be unable to play again for the struggling Boston Celtics for at least three months.

GRAF WINS DESPITE FLU BUT EVERT LOSES

NEW YORK (NYT)—Steffi Graf, playing against the advice of the physician treating her for flu, had no difficulty Thursday night eliminating Manuela Maleeva in the quarterfinals of the Virginia Slims Championships at Madison Square Garden. The world's top-ranked women's tennis player beat the seventh-seeded Maleeva, 6-1, 6-3.

2 BOXERS FAILED LAS VEGAS DRUG TESTS

LAS VEGAS (AP)—Robert Hines tested positive for the painkilling drug lidocaine after winning the International Boxing Federation junior middleweight title Nov. 4 from Matthew Hilton, officials of the Nevada State Athletic Commission said Thursday.

SWISS-TURK SOCCER REPLAY ORDERED

ZURICH, Switzerland (AFP)—The UEFA disciplinary committee ordered Friday that the European Champions second-round, second-leg soccer match between Galatasaray of Turkey and Neuchâtel Xamax of Switzerland be replayed at a neutral site. No date was set.

Free Agents Bids Soar in Baseball

The Associated Press

NEW YORK — Baseball's free-agent market, mostly quiet for three years, opened up dramatically Thursday with clubs publicly and privately offering multimillion-dollar contracts in several players.

Bruce Hurst, Steve Sax, Mike Mnre and Nolan Ryan were among those offered considerably more than they earned last season. Tommy Hart, however, turned down a \$1.8 million, two-year contract from the World Series champion Los Angeles Dodgers to sign a \$1.65 million, two-year deal with the Philadelphia Phillies, who had obtained him in a trade from the Minnesota Twins after the season.

HEALTH OFFICIALS CONSIDER DELAY IN USC-UCLA GAME

LOS ANGELES — Fears that Saturday's USC-UCLA football game at the Rose Bowl could add to a measles outbreak that already has sickened USC's star quarterback, Rodney Peete, and at least 40 other students led some public health officials to consider Thursday urging that the game be postponed. Measles is one of the most easily transmitted of all diseases.

FOR THE RECORD

John Mahaffey and Bob Glicker each shot eight-under-par 64 Thursday for the second-round lead in the Izuzu Kapalua International golf tournament, four strokes ahead of first-round leader Bill Glasson. (UPI)

QUOTABLE

"Spud Webb of the NBA Atlanta Hawks, asked when to expect his ghost-written autobiography, due out this season: 'I don't know. It might be out already. I haven't read it yet.' (LAT)

SCOREBOARD

HOCKEY

NHL Standings table with columns for team, wins, losses, points, etc.

CAMPBELL CONFERENCE

Campbell Conference Standings table.

BASKETBALL

ABA Standings

ABA Standings table.

WESTERN CONFERENCE

Western Conference Standings table.

THURSDAY'S RESULTS

Thursday's Results table.

TRANSITION

BASEBALL

BALTIMORE—Bought contracts of Leo Gomez, third baseman, and Fred Schulte, outfielder, from Charlotte, Southern League. Acquired Chris Hollie, catcher, and Cesar Miller, pitcher, from Detroit to complete Nov. 31 trade for Fred Lutz.

NEW YORK

NEW YORK—Signed Don Scholtes, pitcher. Acquired Brian Doherty, catcher, from Charlotte, International League. Acquired Eric Steinmetz, pitcher, and Oakland him to Columbus, International League.

SEATTLE

SEATTLE—Signed Dave Davila, pitcher. Acquired John Bartlett and Mike Rieffler, pitchers; Diana Palmer and Roy Sanchez, infielders; and Jason Gonzales and Sam Batts, outfielders; to Houston Astros.

ATLANTA

ATLANTA—Bought contracts of Dave Miller, pitcher, and Barry Jones, outfielder, from Richmond, International League. Bought contracts of Karl Mackay, Andy Nease, Ruffy Richards, Mike Shaker and Danny Weir, pitchers; Brian Deak, catcher; Drew Denson and Ed Whitfield, infielders; and Dennis Wood, outfielder, from Greenville, Southern League.

CHICAGO

CHICAGO—Bought contracts of Greg Smith, second baseman, from Iowa, American Association. Sent Len Danton, pitcher, and Angel Soto, shortstop, outright to Iowa. Houston Astros bought back Mike Bielecki, infielder, and Ty Gohler, outfielder, to give them their unconditional releases. Added Eric Anthony and Karl Steuber, outfielders; Russ Espinoza, catcher, and Brian Haley, Charles Korteck, Sam August and Fred Costello, pitchers, to Boston Astros.

PHILADELPHIA

PHILADELPHIA—Signed Tommy Hart, second baseman, to one-year contract.

PITTSBURGH

PITTSBURGH—Signed Elmer Goozard, administrator of baseball operations. PHILADELPHIA—Signed Tommy Hart, second baseman, to one-year contract. NEW JERSEY—Called up Paul Vecchio, center; Alan Stewart, left wing, and Jamie Huscraft, defenseman, from Utica, American Hockey League. PITTSBURGH—Signed Steve Goulet, goaltender, to Muskegon, IHL. COLLEGE SAN DIEGO STATE—Piled Deany Stoltz, football coach.

POSTCARD

Kids Hooked on Art

By Grace Glueck
NEW YORK — It's about an outsider, a guy who doesn't fit on the block or something. He falls in love with this girl who rejects him because he's too weird, he's too much of a nerd. And so, in sadness, he walks in the night, and as he walks the snow starts falling gently, very gently.

touching, very emotional and visually interesting. It may at times be too close to the tradition of Surrealism, but it's powerful and quite contemporary. The museum owns — as does the Museum of Modern Art — a version of the group's most popular piece, which is based on Franz Kafka's "Amerika." Done directly on the pages of a copy of the Kafka work, which are detached from the binding and pasted down on canvas, the composition consists of individual images of musical horns in gold paint jubilantly orchestrated into a stamlike arrangement. Rollins, who grew up in a close-knit working-class family in Pittsfield, Maine, feels that his background has helped him relate to "the struggles of the kids' families."

The Battle for Andrei Sakharov's Time

By Gary Lee
WASHINGTON — Ever since Andrei Sakharov, 67, stepped off a Moscow-to-Boston flight Nov. 6, stared at the army of American reporters and said, "By my watch, it's time for bed," a battle has broken out over his social schedule. And it is fierce. Here's how fierce: In New York, the Academy of Sciences had originally snaggled Sakharov for a lunch, but at the last minute was edged out by Random House, publisher of Sakharov's memoirs. The scientists had to settle for a cocktail hour, which ended up being 45 minutes — 35 of which were taken up with six introductory speeches. At times, it got even fiercer. While visiting New York, Sakharov was swooped up by his friend Edward Klein and showed up late for a meeting with the Random House publisher Robert Bernstein, who also reads the Helsinki Watch Commission. The next day, shortly after the Sakharov entourage jetted into Washington, Sakharov was snatched from Klein's hotel room by Bernstein and his son, Peter, publisher of U.S. News & World Report. Everybody who knows Sakharov is very jealous of his time and gets testy when someone else gets five minutes more with him than he had," said a friend who has been closely involved in organizing the Sakharov schedule. "You would think he was the pope or the Communist Party boss or something."



Sakharov (right) with U.S. physicist Edward Teller in Washington.

helps organize the social schedule and occasionally translates. "Respect our privacy," Tatiana said at the end of a Boston press conference. "Don't stalk us out of our house." Sakharov also has received occasional advice on his program from Bonner, who stayed behind in Moscow but has spoken to him frequently by telephone. Alexei and Liza Semjonov — also children of Bonner and Sakharov's stepchildren — are acting as hosts as well. Klein is a New York businessman who speaks fluent Russian and has long followed Sakharov's case, as well as those of other Soviet dissidents. Throughout most of the visit he stuck close to Sakharov, acting alternately as intellectual bodyguard and translator. "It seems to me that sometimes Klein translates what he thinks Sakharov should have said, rather than what he said," said a human rights veteran who has observed the two at several social functions. Officials at the Foundation for the Survival and Development of Humanity, the organization that invited Sakharov to the United States, have deferred to others in the planning of Sakharov's sched-

ule. "In fact," said William Miller, executive director of the foundation, "he is calling most of his own shots. He knows what he wants to do and what he doesn't want to do here." Sakharov's pirotette across Washington in the past week highlighted by a Sunday evening dinner at the National Academy of Sciences, cut straight through ideological barriers. He was entertained by Senator Edward M. Kennedy one evening and by the conservative commentator, Ernest Lefever, the next. Celebrated at a Sunday dinner by Americans for his outspoken human rights stance, he was later invited for coffee by Yuri V. Dubinin, the Soviet ambassador to the United States. "It was bizarre," said a source who attended the meeting for the Sakharov at the Soviet Embassy. "Probably the first and last time the ambassador invites a dissident to tea." On Monday, Sakharov met at the White House with President Ronald Reagan, had a luncheon with the International Foundation for the Survival and Development of Humanity, a question-and-answer session at the Kennan Institute, cocktails at the Library of Congress, and dinner at the Smithsonian Institution. From the time Sakharov's visit was announced, the bidding over his social schedule was so intense that even the conservative Ethics and Public Policy Center, usually quirky about associating with Russians, got involved. The group went to great lengths to get Sakharov to attend a Wednesday dinner, at one point even offering a private jet to get him to his next stop. Sakharov refused the jet. He did show up briefly at the dinner, however, where he bashed Reagan's "Star Wars" program and got a standing ovation from the 750 attendees. Sakharov, a Nobel laureate, got four other awards in the week that he was in the U.S. The Albert Einstein Peace Prize, which includes a check for \$50,000, Sakharov also appeared as guest of honor at six formal dinners, held forth for two hours before the international press and attended meetings of the Foundation for the Survival and Development of Humanity. Sakharov's fast-paced social schedule, fairly normal for western heads of state visiting the United States, marks the first time a Soviet activist has taken advantage of more liberal Soviet travel restrictions. Unlike, say, Alexander Solzhenitsyn or Yuri Orlov or Anatoly Shcharansky, who were exiled or emigrated to the West, Sakharov has a round-trip ticket; he is scheduled to go back later this month. Sakharov is a celebrated physicist best known as a human rights advocate, but some of his hosts seem confused about his biography. In introducing him at Wednesday night's Ethics and Public Policy Center dinner, for instance, William F. Buckley said at one point that Sakharov was exiled to Gorky "about the time" he received a Nobel prize. In fact, the exile came five years after the prize and lasted for seven years. Sakharov's American hosts were sometimes perplexed about how to entertain a man like Sakharov, who gave up the elite life of a privileged Soviet official to battle on the front lines of the Soviet human rights movement. Used to huddling with guests over tea around the ramshackle table in his kitchen, Sakharov is much more accustomed to small quiet chats with friends than to glimmer in the center of the stage. Senator Kennedy, who apparently pondered long and hard whether to feature entertainment at the sit-down dinner he hosted for Sakharov, finally decided to invite Edith Piaf to sing. She ended up to be a smash hit, bringing a smile to Sakharov's face. Ronald Lauder, the former ambassador to Austria who hosted a reception for Sakharov last week at his apartment on New York's Upper East Side, made few if any concessions to the downs-to-earth ambience preferred by the honored guest. At Lauder's \$500-a-person affair, black ties and pearls abounded; the chatter in the crowd was as much about the latest off-Broadway play as about political prisoners and the other stuff of Sakharov's repertoire. Undaunted by the maddening crowd, Sakharov has been surprisingly adept at managing his own schedule, and particularly at battling back attempts by others to use his name on their behalf. When the Helsinki Watch Commission asked him to make a videotape to show at its annual board meeting, Sakharov refused. When U.S. Information Agency Director Charles Z. Wick asked whether Sakharov concurred that his agency's Voice of America broadcasts were highly influential among the Soviet public, the dissident leader disagreed. Since the official Soviet media and VOA have started reporting the same things, Sakharov said, VOA's listener ship among Soviets has declined. Sakharov also has turned down a slew of requests for television and newspaper interviews. "If I accepted one I would probably have to accept them all," he said. Most important, at every stop on his trip, Sakharov has managed to cut through the smoke in the smoke-filled rooms to get his message across. Sometimes warning against the risk inherent in Gorbachev's reforms, sometimes appealing for western support for perestroika, he has remained true to his reputation, independent in his thought and outspoken with his views. When President-elect George Bush showed up at the National Geographic Society's centennial awards dinner in Washington, the Society's president, Gilbert M. Grosvenor, told him that, although Barbara Bush has been a member for 20 years, he would soon be receiving his own free lifetime membership. "And sir, don't worry," declared Grosvenor. "I'll take care of your address change." Seated on the dais were 15 "Pioneers of Discovery" who were honored Thursday with Centennial Awards from the Society: Sir Edmund Hillary, the mountaineer; Jacques-Yves Cousteau, the underwater explorer; Jane Goodall, the primatologist; Harold Edgerton, the photographic inventor; Mary and Richard LeMay, the paleo-anthropologists; Frank and John Craighead, the bio-ecologists; Beauford and Barbara Westman, the cartographers; Senator John H. Glenn Jr., the former astronaut; Robert Ballard, the deep-sea explorer; George Bass, the underwater archeologist; and Thayer Sontag, the travel lecturer. Jason Epstein, 60, the editorial director of Random House who has worked with such authors as W.E. Dillingham, Vladimir Nabokov, Norman Mailer, Gore Vidal and E.L. Doctorow, is the winner of the National Book Awards Medal. The award carries a \$10,000 prize. Linda Petruscelio, 18, who is Miss Iceland, won the 38th Miss World beauty title in London. Runner-up were Yeon-He Choi, Miss Korea, and Kirsty Roper, Miss United Kingdom. This could be the last contest as Britain's independent television companies have decided to end the show. Although it attracts audiences worldwide, the show has been criticized for displaying women in an unflattering light. Jazz musician Miles Davis has returned to New York to rest after fainting at the end of a show in Madrid. Spanish doctors said the 61-year-old trumpeter played with suffering from severe exhaustion, and an irregular heartbeat, but that there was no need for him to be hospitalized. Davis canceled performances in Barcelona and Italy.

PEOPLE

National Geographic Honors 15 'Pioneers'

When President-elect George Bush showed up at the National Geographic Society's centennial awards dinner in Washington, the Society's president, Gilbert M. Grosvenor, told him that, although Barbara Bush has been a member for 20 years, he would soon be receiving his own free lifetime membership. "And sir, don't worry," declared Grosvenor. "I'll take care of your address change." Seated on the dais were 15 "Pioneers of Discovery" who were honored Thursday with Centennial Awards from the Society: Sir Edmund Hillary, the mountaineer; Jacques-Yves Cousteau, the underwater explorer; Jane Goodall, the primatologist; Harold Edgerton, the photographic inventor; Mary and Richard LeMay, the paleo-anthropologists; Frank and John Craighead, the bio-ecologists; Beauford and Barbara Westman, the cartographers; Senator John H. Glenn Jr., the former astronaut; Robert Ballard, the deep-sea explorer; George Bass, the underwater archeologist; and Thayer Sontag, the travel lecturer.

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